

2013-15 Omnibus Budget Overview

Operating Only

Background to the 2013 Budget Problem

Context

The Legislature entered the 2013 session with a slowly improving economy as well as rising caseload and per capita costs. In addition, the Legislature faced the challenge of addressing the state Supreme Court's decision in *McCleary v. State of Washington*, 173 Wn.2d 477 (2012) (relating to K-12 funding).

Projected Revenue

Above average growth in Near General Fund-State revenue collections ended in FY 2007. Over the next three years, Near General Fund-State revenue collections declined nearly 15 percent, reaching their low point in FY 2010. Year-over-year revenue collections have increased since that time with FY 2013 becoming the first year revenue collections exceeded pre-recession levels.

Going into the 2013-15 Biennium, after accounting for the expiration of two temporary tax surcharges (one relating to the business and occupation tax and the other relating to the beer tax), forecasted revenue was expected to grow at an annual average rate of 2.9 percent (generating approximately \$1.8 billion).

Projected Spending

In developing the 2011-13 budget, policy savings totaled almost \$4.5 billion. Of that amount, almost \$1 billion were one-time in nature. The cost of continuing current programs from the 2011-13 operating budget (including caseload changes) as well as complying with current laws (including Initiative-732) also increased from the 2011-13 biennium to the 2013-15 biennium.

Going from the 2011-13 biennium to the 2013-15 biennium, the estimated impact of one-time reductions, caseload changes, and meeting other existing statutory requirements resulted in average annual spending growth of approximately 3.7 percent (increasing projected spending from \$31.2 billion in 2011-13 to \$33.6 billion in 2013-15).

In addition, the operating budget for 2013-15 also included \$1.7 billion in additional policy enhancements. Some of the largest items include: 1) \$1 billion in increased spending for K-12 education; 2) \$199 million in increased state support for higher education institutions as well as the College Bound Program; 3) \$146 million for home care worker compensation; 4) \$45 million for early learning programs and increased child care rates; and 5) \$250 million for a variety of other items.

Projected Shortfall (Before 2013 Actions)

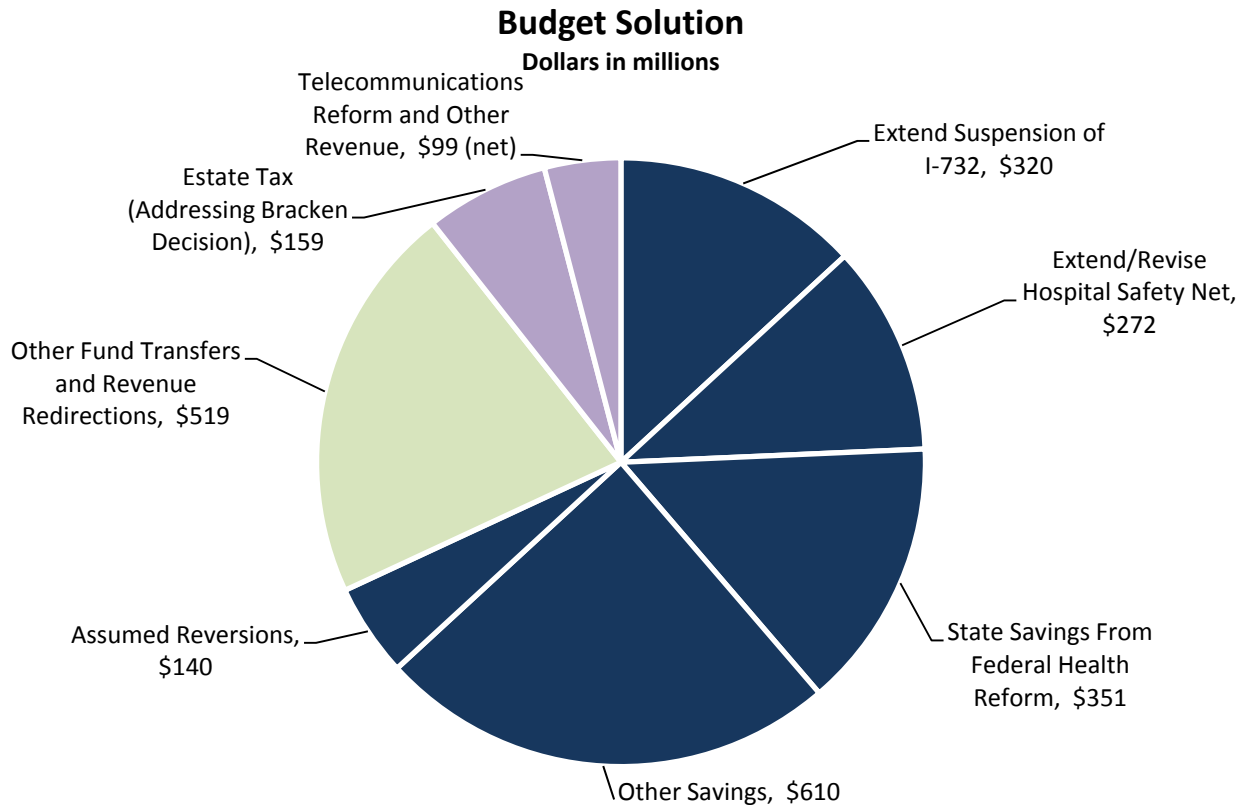
A budget shortfall is projected when estimated costs exceed estimated resources (including revenues). For the 2013-15 Biennium, before any legislative action was taken in the 2013 legislative session, the cost of continuing current programs and complying with current laws exceeded forecasted revenue by approximately \$800 million. This is sometimes referred to as the maintenance level shortfall.

The operating budget for 2013-15 also included \$1.7 billion in additional policy enhancements (\$1.03 billion of that in K-12 education). Taken together with leaving an ending fund balance and the maintenance level shortfall, the combined budget problem statement is approximately \$2.47 billion.

Enacted 2013-2015 Operating Budget

The operating budget appropriates a total of \$33.6 billion from Near General Fund-State plus opportunity pathway and addressed this problem statement through:

- fund transfers and revenue redirections of \$519 million;
- reduced spending of approximately \$1.55 billion;
- assumed reversion of \$140 million; and
- increased revenue of \$259 million (primarily legislation addressing the state Supreme Court's decision in *In re Estate of Bracken* relating to estate taxation and legislation changing the taxation of the telecommunications industry).



Policy Level Spending Reductions

Policy level spending increases are described in the projected spending section (above). Policy level spending reductions assumed in the budget include: (1) \$351 million through federal Medicaid expansion; (2) \$320 million by re-suspending Initiative 732; (3) \$272 million by temporarily extending (and phasing down) the hospital safety net assessment; and (4) \$610 million in other savings impacting most state agencies. In addition, it is assumed that agencies will generate reversions of \$140 million. (Because appropriations represent the maximum amount that state agencies may spend, actual expenditures are typically less than the appropriated amounts. The amount of unspent funds is typically referred to as reversions.)

Fund Transfers and Other Revenue/Resource Changes

The budget assumes approximately \$520 million in transfers (or redirection of existing revenue) from various dedicated funds to the Near General Fund-State. Some of the changes are for the 2013-15 biennium only, others extend several years into the future, while still others are permanent. The largest transfers relate to the Public

Works Assistance Account and total \$355 million. Additionally, the budget makes \$165 million in other fund transfers, including \$34 million from the Life Science Discovery Fund, \$25 million from a 50 percent reduction in the amount of liquor excise tax distributed to local governments, and \$22 million from the State Treasurer's Service Account.

Besides fund transfers and revenue redirections, several actions also impacted resources. The state Supreme Court's decision in *In re Estate of Bracken* (which reduced forecasted estate tax revenue to the Education Legacy Trust Account by \$163 million) lowered forecasted revenue. Chapter 2, Laws of 2013, 2nd sp.s (EHB 2075) (estate taxes) was enacted into law and is estimated to restore \$159 million of that amount. Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) (communications services) is estimated to increase GF-S revenue by \$110 million in 2013-15. The net impact is less as there is \$25 million in spending to support programs previously funded by dedicated taxes. Finally, Chapter 13, Laws of 2013, 2nd sp.s (ESSB 5882) provides additional tax exemptions that will reduce revenues by an estimated \$12 million in 2013-15 biennium.

Projected Ending Balance and Outlook

The budget, after partial vetoes and including appropriations made in other legislation, leaves \$625 million in projected total reserves (\$48 million in NGF-S ending fund balances and the remainder in the Budget Stabilization Account).

The budget, under the provisions of the statutory four-year outlook [Chapter 8, Laws of 2012, 1st sp.s (SSB 6636)], is projected to end the 2015-17 biennium with \$1.3 billion in total reserves (\$388 million in NGF-S and the remainder in the Budget Stabilization Account).

2011-13 and 2013-15 Balance Sheet For 3ESSB 5034 (Enacted)
Including 2013 Supplemental Budget
General Fund-State, Education Legacy Trust, and Opportunity Pathways Accounts
(and Budget Stabilization Account)
Dollars in Millions

	2011-13	2013-15
RESOURCES		
Beginning Fund Balance	(60.4)	94.9
March 2013 Forecast	31,009.3	33,025.0
Bracken Decision	(3.2)	(160.3)
June 2013 Forecast Update	109.2	122.6
Transfer to Budget Stabilization Account	(268.7)	(308.5)
Other Enacted Fund Transfers	378.6	-
Alignment to the Comprehensive Financial Statements	(5.0)	-
Adjustment to Working Capital (HB 2822)	238.0	-
Proposed Changes		
Transfer From Budget Stabilization Account to GFS		-
Fund Transfers & Redirections (ELTA & GFS)	1.8	528.9
General Fund & Op PW: Legislation (incl. Telecomm) & BDR	0.2	87.4
HB 2064 - Estate taxes (Bracken Decision, ELTA)	-	159.4
Total Resources (including beginning fund balance)	31,399.7	33,549.5
EXPENDITURES		
2011-13 Enacted Budget (Incl. 2012 Supp.)		
Enacted Budget	31,249.2	
Actual/Anticipated Reversions	(165.9)	
Proposed Changes		
Maintenance Level Changes	8.9	
Policy Changes	212.5	
Total Expenditures	31,304.8	
Proposed 2013-15		
Maintenance Level		33,470.8
Policy Changes		156.1
Impact of Governor Veto & Lapses		(0.6)
Appropriations in Other Legislation (E2SSB 5912; Impaired Driving)		5.0
Anticipated Reversions		(140.0)
Total Expenditures		33,491.3
RESERVES		
Projected Ending Balance	94.9	58.3
Budget Stabilization Account Beginning Balance	-	268.7
Transfer from General Fund and Interest Earnings	268.7	308.5
Projected Budget Stabilization Account Ending Balance	268.7	577.2
Total Reserves (Near General Fund plus Budget Stabilization)	363.6	635.4

Fund Transfers, Revenue Legislation and Budget Driven Revenues

Dollars, In Millions

	<u>2011-13</u>	<u>2013-15</u>
Fund Transfers/Redirections to Education Legacy Trust Account		
Public Works Assistance Account	-	277.2
Redirect Portions of REET, Solid Waste and PUT (from PWAA) ⁽¹⁾		77.3
Unclaimed Lottery Prizes		12.1
Subtotal	-	366.7
Fund Transfers/Redirections to GFS		
Energy Freedom Account	-	2.0
Liquor Excise Distribution (Local Government) ⁽⁴⁾		34.0
Life Sciences Discovery Fund	-	34.0
Pollution Liability Trust Account		5.0
Employment Training Finance Account		2.0
Tuition Recovery Trust Account		2.5
Local Toxics Account	-	18.0
Treasurers Service Account	1.8	20.2
Data Processing Revolving Account	-	8.1
Legal Services Revolving	-	2.5
Personnel Service Account	-	1.5
Real Estate Commission Account	-	3.4
Criminal Justice Treatment Account	-	3.2
Flood Control Assistance Account	-	2.0
Health Benefit Exchange Account (Loan Repayment)		0.7
Professional Engineers' Account		1.9
Electrical License Account		3.4
Business and Professions Account		3.6
Health Benefit Exchange Account ⁽³⁾		20.8
Elim. Statutory Transfer (Opp. Pathway / School Const) ⁽¹⁾		-
Transfer To Child/Family Reinvestment	-	(6.5)
Subtotal	<u>1.8</u>	<u>162.3</u>
General Fund: Legislation & Budget Driven		
HB 1971 - Communications Services Reform	-	109.9
HB 1947 - HB Exchange Operations ⁽³⁾	-	(22.4)
SB 5882 - Omnibus Tax Preference Legislation	-	(13.1)
SB 5644 - Resale of Liquor	-	3.5
SB 5287 - Eliminating Accounts & Funds	0.2	-
Budget Driven: Liquor Control Board	-	(3.9)
Budget Driven: DOR Auditors	-	9.6
Budget Driven: Lottery (To Opp Pathways)	-	2.3
Budget Driven: L&I Elevator Operators	-	1.5
Subtotal	<u>0.2</u>	<u>87.4</u>
Education Legacy Trust: Legislation & Budget Driven		
HB 2075 - Estate taxes (Bracken Decision)	-	159.4
Total	2.0	775.7

Notes:

(1) Contained in separate legislation.

(2) Transfers to the Budget Stabilization Account are displayed on the Balance Sheet.

(3) The net effect of these two items is that in the first few months of 2015, operation of the Exchange is funded by WSHIP funds until premium tax funds are available in the account. In subsequent years, the Exchange is

Revenues

Anticipated General Fund-State revenues for the 2011-13 and 2013-15 biennia slightly increased in the June 2013 forecast, which was the forecast used for the state budget. The General Fund-State revenue estimate for the 2011-13 biennium increased by \$110 million to \$30.6 billion and the General Fund-State revenue estimate for the 2013-15 biennium increased by \$121 million to \$32.7 billion.

Two significant revenue increases, which passed in 2010 as part of Chapter 23, Laws of 2010, 1st sp.s. (2ESSB 6143), expired on July 1, 2013. These revenue increases were a temporary 0.3% increase in the service business and occupation tax rate and a \$15.5 per barrel increase in the beer tax. These revenue sources raised approximately \$620 million during the 2011-13 biennium.

Twenty-two bills affecting revenue were enacted into law. Of these bills, two increased General Fund-State revenues for a total of \$269.3 million in the 2013-15 biennium. Both of these bills had their origins in adverse state court decisions.

On October 8, 2012, the state Supreme Court in *In re Estate of Bracken*, 175 Wn.2d 549 (2012) held that certain types of marital trust property are not subject to the Washington estate tax. The total fiscal impact from this decision was estimated to be \$160.1 million for the 2013-15 biennium, with approximately \$100 million associated with anticipated and pending refund requests. With the enactment of Chapter 2, Laws of 2013, 2nd sp.s., (EHB 2075), the Legislature restored the application of the estate tax to this marital property. The legislation also included a new tax exemption for certain small business interests, an annual inflationary adjustment to the \$2 million general exclusion amount, and an increase to the top four estate tax rates. The net fiscal effect of this legislation is a positive \$159.4 million in the 2013-15 biennium, with revenues going to the education legacy trust account.

Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) significantly changes the taxation of the telecommunications industry. Prior to the passage of this legislation, a sales tax exemption applied to land line telephone service. Cellular phone service companies argued that the exemption should apply to residential cellular phone service as well and challenged the applicability of the exemption in court. The 2013 legislation eliminates the sales tax exemption for all residential telephone service thereby extending state and local sales tax to all telephone service. The legislation also repeals dedicated taxes for the Washington Telephone Assistance Program, which provides subsidies for low-income telephone service, and the Telephone Relay service, which provides subsidies for telecommunication service for the deaf and hard of hearing. These programs are now funded out of the general fund. The legislation also requires retailers of prepaid wireless service to collect the Enhanced 911 tax. Lastly, the legislation establishes a state universal service program to help to offset costs for high cost phone service in rural areas. The legislation increases state sales tax revenues by \$109.9 million for the 2013-15 biennium, with a net revenue impact of \$84.4 million when additional spending requirements are taken into consideration.

The Legislature passed four bills creating, extending, or expanding tax preferences; however, Chapter 13, Laws of 2013, 2nd sp.s. (ESSB 5882) is an omnibus bill that modifies 16 separate and distinct tax preferences and requires greater transparency for future tax preference legislation. The total cost of the bill to the state general fund is \$13.1 million in the 2013-15 biennium. A more detailed description of the legislation can be found in the following pages.

2013 Revenue Legislation
Near General Fund-State
Dollars in Millions

Bill Number	Brief Title	2013-15
EHB 2075	Estate tax transfers	159.4
E2SHB 1971	Telecommunications parity	109.9
ESSB 5664	Liquor License Fees/Resale	3.5
SB 5627	Taxation of commuter air carriers	0.1
E2SHB 1306	Local infrastructure financing tool program	0.0
ESHB 1403	Providing information to businesses	0.0
SB 5806	Repeals the timber credit	0.0
EHB 1421	Collecting deferred property taxes	0.0
SB 5715	Addresses evading taxes by electronic means	0.0
E2SSB 5078	Modifying property tax exemption for nonprofit fairs	0.0
SSB 5072	Sales/use tax exemption for disabled vets for equipment and services for motor vehicle	-0.1
ESHB 1947	B&O tax exemption for Health Benefit Exchange	-22.4
ESSB 5882	Relating to Revenue	
	Provides B&O tax exemption for dairy products	0.0
	Extending beekeeper exemptions	0.0
	Exempting nonprofit organizations or libraries from use tax	0.0
	Provides sales and use tax exemption for clay targets	0.0
	Sales/use tax exemption for restaurants flavoring food	-0.1
	Provides tax exemptions for mint growers and processors	-0.3
	Cooperative Finance Org	0.0
	S&U exemption for data for international investments firms	-0.7
	Cover charges for dancing not considered retail sales	-0.9
	Solar B&O Extension	-1.0
	Extending renewable energy exemptions	-1.5
	Hog Fuel	-1.9
	Taxation of large airplanes	-2.1
	Modifies tax exemption for blood banks	-2.1
	Providing incentives for solar energy	-2.5
	Total for ESSB 5882	-13.1
	Total	237.3

Note: Excludes budget driven revenue.

Revenue Legislation

The legislation listed below is a summary of bills passed during the 2013 session that affect state revenues or state or local government tax statutes but may not cover all revenue-related bills.

MODIFYING THE ESTATE AND TRANSFER TAX—\$159.4 MILLION GENERAL FUND-STATE INCREASE

Chapter 2, Laws of 2013, 2nd sp.s. (EHB 2075) requires certain marital trust property to be included in the estate for purposes of the Washington estate tax. A deduction is provided for family-owned businesses. The \$2 million deduction is adjusted by inflation on an annual basis. The top four estate tax rates are increased.

COMMUNICATION SERVICES REFORM—\$109.9 MILLION GENERAL FUND-STATE INCREASE

Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971) requires retailers of prepaid wireless telephone service to collect and remit the Enhanced 911 tax. A seller of prepaid wireless is allowed to charge an additional 5 cents per retail transaction to offset the cost of collecting the tax. The taxes funding the Washington Telephone Assistance and Telecommunications Relay Service programs are repealed. The programs are funded by state general fund appropriations. State and local sales and use tax exemptions are repealed for local residential landline service. A temporary state universal communications services program is established.

ELIMINATING THE 17% RETAIL LICENSE FEE TO PREVIOUS CONTRACT LIQUOR STORES AND STATE LIQUOR STORES ON SALES TO LICENSEES —\$3.5 MILLION GENERAL FUND-STATE INCREASE

Chapter 21, Laws of 2013, 2nd sp.s. (ESSB 5644) eliminates the 17% retail license fee on sales from stores that were previously contract liquor stores or stores that were bought at state auction. Additionally, distributors are required to pay the 10% distributor license fee for three additional months prior to it being reduced to 5%.

TAXATION OF CERTAIN COMMUTER AIR CARRIERS—\$60,000 GENERAL FUND-STATE INCREASE

Chapter 56, Laws of 2013 (SB 5627) exempts commuter air carriers operating on private property from the personal property tax and subjects them to the aircraft excise tax. A separate aircraft excise tax schedule is created for such carriers.

EXTENDING THE EXPIRATION DATES OF THE LOCAL INFRASTRUCTURE FINANCING TOOL PROGRAM—NO IMPACT TO GENERAL FUND-STATE

Chapter 21, Laws of 2013, 2nd sp.s. (E2SHB 1306) extends the expiration date of the Local Infrastructure Financing Tool program from June 30, 2039 to June 30, 2044. Local jurisdictions are required to commence construction by June 30, 2017, to impose the state shared local sales and use tax. The requirement that a sponsoring local government issue indebtedness to receive a state sales and use tax credit is removed.

PROMOTING ECONOMIC DEVELOPMENT BY PROVIDING INFORMATION TO BUSINESSES—NO IMPACT TO GENERAL FUND-STATE

Chapter 111, Laws of 2013 (ESHB 1403) requires all regulatory agencies that have a business license to fully participate with the business license service by providing the Department of Revenue (DOR) with the application and information necessary to complete the application for the business license.

REPEALING AN OBSOLETE PROVISION FOR CREDIT AGAINST PROPERTY TAXES PAID ON TIMBER ON PUBLIC LAND—NO IMPACT TO GENERAL FUND-STATE

Chapter 240, Laws of 2013 (SB 5806) repeals an obsolete property tax credit for taxes paid on privately owned timber standing on public lands.

COLLECTING DEFERRED PROPERTY TAXES—NO IMPACT TO GENERAL FUND-STATE

Chapter 221, Laws of 2013 (EHB 1421) provides that proceeds from the sale of property acquired by the county due to property tax foreclosure must first be applied to pay DOR for taxes deferred under the senior and limited-income property tax deferral program.

ADDRESSING THE EVASION OF TAXES BY THE USE OF ELECTRONIC MEANS—NO IMPACT TO GENERAL FUND-STATE

Chapter 309, Laws of 2013 (SB 5715) criminalizes the possession, purchase, installation, transfer, manufacture, creation, design, update, repair, use, or sale of an automated sales suppression device. Additional mandatory fines are set for those who furnish, update, or repair automated sales suppression devices. DOR is provided with the authority to revoke a business' certificate of registration if the business is found using one of these devices. A certificate cannot be reinstated unless the business agrees to have its sales transactions electronically monitored for five years at its own expense.

MODIFYING THE PROPERTY TAX EXEMPTION FOR NONPROFIT FAIRS—NO IMPACT TO GENERAL FUND-STATE
Chapter 212, Laws of 2013 (E2SSB 5078) removes the revenue restrictions to qualify for a property tax exemption for nonprofit fair associations having property valued at less than \$15 million, that receive funding from the fair fund, and that were previously a county run fair.

SALES TAX EXEMPTION FOR CERTAIN AUTOMOBILE ADAPTIVE EQUIPMENT FOR VETERANS—\$100,000 GENERAL FUND-STATE DECREASE

Chapter 211, Laws of 2013 (SSB 5072) provides a sales and use tax exemption for prescribed add-on automotive adaptive equipment for veterans or members of the armed forces, including charges for labor and services with respect to installation and repair of such equipment. The exemption only applies if the eligible purchaser is reimbursed in whole or in part for the purchase by the federal government.

PROVIDING A BUSINESS AND OCCUPATIONS TAX EXEMPTION TO THE WASHINGTON HEALTH BENEFIT EXCHANGE—\$22.424 MILLION GENERAL FUND STATE DECREASE

Chapter 6, Laws of 2013 2nd sp.s. (ESHB 1947) provides a Business and Occupations (B&O) tax exemption to the Washington Health Benefit Exchange, both prospectively and retroactively, for amounts received in the form of grants from the state of Washington or the federal government. Additionally, insurance premiums taxes collected from qualified health benefit plans and stand-alone dental plans will be deposited into the health benefit exchange account rather than the general fund.

RELATING TO REVENUE—\$13.1 MILLION GENERAL FUND-STATE DECREASE

Chapter 13, Laws of 2013 2nd sp.s. (ESSB 5882) modifies, extends or creates sixteen tax exemptions. In addition, the bill addresses transparency and oversight for new tax preferences. The following parts are included:

- **BUSINESS AND OCCUPATIONS TAXATION OF DAIRY PRODUCTS—NO IMPACT TO GENERAL FUND-STATE**
Provides a B&O tax exemption for sales of dairy products to purchasers who use the dairy product as an ingredient or component in the manufacturing of a dairy product. Dairy products are defined by reference to the Code of Federal Regulations and include byproducts such as whey and casein, and products comprised of not less than 70 percent dairy products by weight or volume.
- **EXTENDING THE EXPIRATION DATE OF TAX EXEMPTIONS FOR HONEY BEEKEEPERS—\$12,000 GENERAL FUND-STATE DECREASE**
Extends the tax exemptions for honey beekeepers to July 1, 2017. Eligible honey beekeepers are provided with a sales or use tax exemption for purchases of honeybee food. A honeybee workgroup is created to address honeybee industry challenges. Requires the Joint Legislative Audit and Review Committee (JLARC) to evaluate the impact of state taxes on the honeybee industry and to evaluate the impact of state taxes on the industry compared to other industries as part of its tax preference review.
- **PROVIDING A USE TAX EXEMPTION FOR CERTAIN PURCHASES FROM NONPROFIT ORGANIZATIONS OR LIBRARIES SOLD AT A FUND-RAISING ACTIVITY—\$16,000 GENERAL FUND-STATE DECREASE**
Provides a use tax exemption for items of personal property, valued at \$10,000 or less, purchased or received as a prize in a game of chance from a nonprofit organizations or libraries for a fundraising activity.

- **PROVIDING SALES AND USE TAX EXEMPTIONS FOR CLAY TARGETS PURCHASED BY NONPROFIT GUN CLUBS—\$26,000 GENERAL FUND-STATE DECREASE**
Provides nonprofit gun clubs sales and use tax exemptions for the clay targets they purchase for use in clay target shooting for which a fee is charged. The buyer must provide the seller with an exemption certificate.
- **PROVIDING RESTAURANTS WITH A SALES AND USE TAX EXEMPTION FOR CERTAIN ITEMS THAT IMPART FLAVOR TO FOOD DURING THE COOKING PROCESS—\$78,000 GENERAL FUND-STATE DECREASE**
Provides restaurants sales and use tax exemptions for products that impart flavor to food during the cooking process. Requires the product to be completely or substantially consumed during the cooking process or entirely comprised of wood.
- **PROVIDING FARMERS WITH TAX EXEMPTIONS FOR PROPANE OR NATURAL GAS USED EXCLUSIVELY TO DISTILL MINT OIL—\$266,000 GENERAL FUND-STATE DECREASE**
Provides sales and use tax exemptions to mint farmers for the purchase of propane or natural gas used exclusively to distill mint on a farm.
- **BUSINESS AND OCCUPATIONS TAX EXEMPTION FOR COOPERATIVE FINANCE ORGANIZATIONS— NO IMPACT TO GENERAL FUND-STATE.**
Provides a B&O tax exemption to cooperative finance organizations on amounts derived from loans to rural electric cooperatives or other nonprofit or governmental providers of utility services organized under the laws of Washington.
- **SALES AND USE TAX EXEMPTION FOR INTERNATIONAL INVESTMENT FIRMS—\$683,000 GENERAL FUND-STATE DECREASE**
Provides a sales and use tax exemption for the sale of standard financial information to qualifying international investment management companies. Limits the amount of deductible purchases to \$15 million per year.
- **PROVIDING THAT CERTAIN COVER CHARGES FOR THE OPPORTUNITY TO DANCE ARE NOT CONSIDERED RETAIL SALES—\$890,000 GENERAL FUND-STATE DECREASE**
Excludes the opportunity to dance in exchange for a cover charge from amusement and recreation services—therefore, it is no longer subject to retail sales tax or the retailing classification of the B&O tax, but rather the service and other activities B&O tax classification.
- **BUSINESS AND OCCUPATIONS TAX RATE OF CERTAIN SOLAR ENERGY SYSTEMS—\$1.465 MILLION GENERAL FUND-STATE DECREASE**
Extends the expiration of the preferential B&O tax rate for manufacturers and wholesalers of solar energy systems using photovoltaic modules or sterling converters, or of solar grade silicon, silicon solar wafers, silicon solar cells, thin film solar devices, or compound semiconductor solar wafers, from June 30, 2014 to June 30, 2016.
- **EXTENDING RENEWABLE ENERGY EXEMPTIONS—\$1.465 MILLION GENERAL FUND-STATE DECREASE**
Extends the expiration date for the sales and use tax exemption for machinery and equipment used in facilities that generate electricity from renewable energy to January 1, 2020. Requires JLARC to include additional information in their tax preference review with specific reference to the intent and performance milestones established in the legislative intent language.
- **EXTENDING THE SALES AND USE TAX EXEMPTION FOR HOG FUEL USED TO PRODUCE ELECTRICITY, STEAM, HEAT, OR BIOFUEL—\$1.871 MILLION GENERAL FUND-STATE DECREASE**
Extends the expiration date of the sales and use tax exemption for hog fuel by 11 years, to June 30, 2024. Taxpayers claiming an exemption must file an annual survey with DOR. DOR and the Employment Security Department must provide information to JLARC, who in turn must review the performance of the tax preference and report their findings to the Legislature by December 31, 2019. Taxpayers who claim the

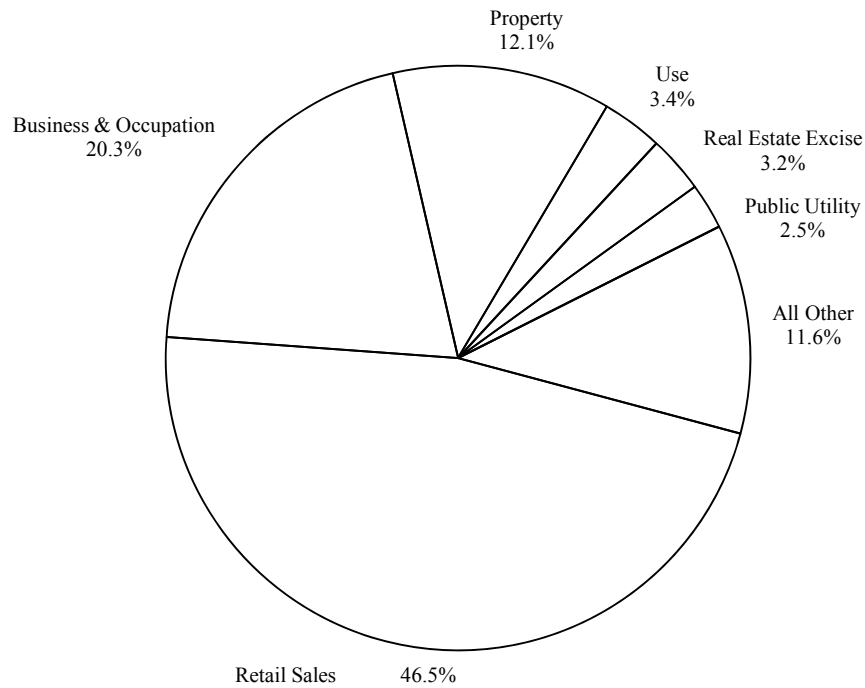
exemption, and subsequently close a facility resulting in a loss of jobs in Washington, must immediately pay back the amount of the tax exemption claimed for the previous two calendar years.

- **TAXATION OF LARGE AIRPLANES—\$2.132 MILLION GENERAL FUND-STATE DECREASE**
Provides a sales and use tax exemption for large private aircraft owned by nonresidents. Additionally, labor and services for repairing, cleaning, altering, or improving large private aircraft owned by a nonresident are exempt from the sales and use tax.
- **MODIFYING NONPROFIT TAX EXEMPTION FOR QUALIFYING BLOOD, TISSUE, OR BLOOD AND TISSUE BANKS—\$2.139 MILLION GENERAL FUND-STATE DECREASE**
Expands the definitions of qualifying blood and qualifying blood and tissue banks to include testing or processing of blood, on behalf of itself or other qualifying blood banks or qualifying blood and tissue banks so that they are exempt from the B&O, retail sales, use, and property taxes.
- **PROVIDING INCENTIVES FOR SOLAR ENERGY—\$2.498 MILLION GENERAL FUND-STATE DECREASE**
Extends the expiration date for the sales and use tax exemption for machinery and equipment used in generating electricity from solar energy for five years. The exemption is expanded to include machinery and equipment used to produce thermal heat using solar energy.
- **REQUIRING INTENT AND EXPIRATION DATE FOR TAX PREFERENCES—NO IMPACT TO GENERAL FUND-STATE**
Requires any bill that adopts a new tax preference or expands or extends an existing tax preference to include legislative intent, expiration date, and a tax preference performance statement that provides context and/or data for purposes of reviewing the preference. Creates a task force that is required to provide recommendations by January 1, 2014, on appropriate metrics to be included in a tax preference performance statement.

Washington State Revenue Forecast - June 2013

2013-15 General Fund-State Revenues by Source

(Dollars in Millions)



Sources of Revenue	
Retail Sales	15,345.7
Business & Occupation	6,614.7
Property	3,950.3
Use	1,100.3
Real Estate Excise	1,033.7
Public Utility	831.3
All Other	3,786.2
Total *	32,662.2

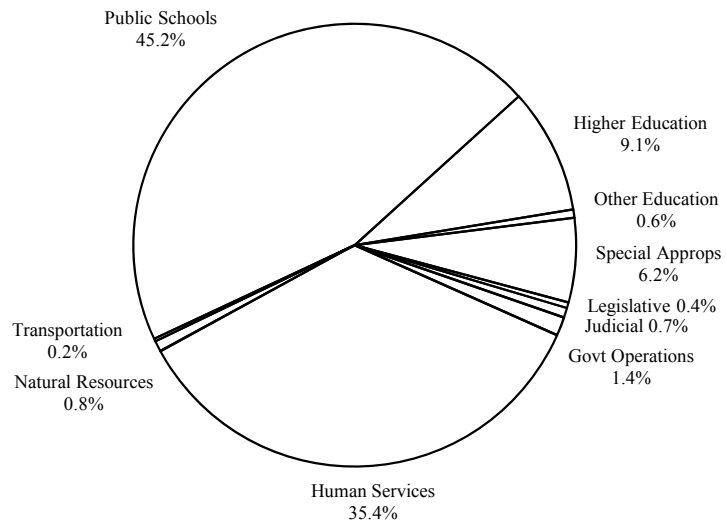
Note: Reflects the June 2013 Revenue Forecast.

2013-15 Omnibus Operating Budget Comparison

(Dollars in Thousands)

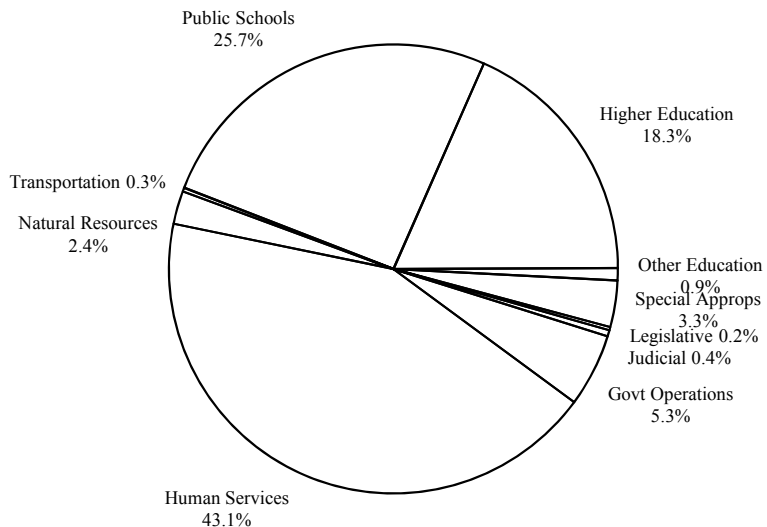
NGF-S + Opportunity Pathways

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Total All Funds

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

TOTAL STATE

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Legislative	139,294	141,400	2,106	146,551	155,455	8,904
Judicial	223,047	237,851	14,804	281,697	299,190	17,493
Governmental Operations	441,631	459,114	17,483	3,686,592	3,499,248	-187,344
Other Human Services	5,993,492	6,116,614	123,122	14,644,538	16,764,586	2,120,048
DSHS	5,413,717	5,787,914	374,197	10,993,345	11,919,981	926,636
Natural Resources	301,567	262,680	-38,887	1,532,618	1,587,441	54,823
Transportation	79,784	70,564	-9,220	179,723	181,919	2,196
Public Schools	13,598,052	15,208,877	1,610,825	15,675,672	17,097,327	1,421,655
Higher Education	2,734,640	3,073,070	338,430	11,095,250	12,203,622	1,108,372
Other Education	161,147	204,674	43,527	525,777	588,624	62,847
Special Appropriations	2,385,801	2,068,516	-317,285	2,559,291	2,225,073	-334,218
Total Budget Bill	31,472,172	33,631,274	2,159,102	61,321,054	66,522,466	5,201,412
Appropriations in Other Legislation	-1,500	0	1,500	-1,496	0	1,496
Statewide Total	31,470,672	33,631,274	2,160,602	61,319,558	66,522,466	5,202,908

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2013 legislative session and appropriations contained in other legislation shown on page 300.

Washington State Omnibus Operating Budget
2011-13 Budget vs. 2013-15 Budget
LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
House of Representatives	57,939	61,864	3,925	59,430	63,629	4,199
Senate	43,246	44,555	1,309	44,667	46,069	1,402
Jt Leg Audit & Review Committee	5,120	173	-4,947	5,290	6,478	1,188
LEAP Committee	3,745	3,464	-281	3,745	3,464	-281
Office of the State Actuary	0	0	0	3,323	3,529	206
Office of Legislative Support Svcs	3,016	7,370	4,354	3,016	7,421	4,405
Joint Legislative Systems Comm	15,679	15,977	298	15,679	15,977	298
Statute Law Committee	8,768	7,997	-771	9,620	8,888	-732
Redistricting Commission	1,781	0	-1,781	1,781	0	-1,781
Total Legislative	139,294	141,400	2,106	146,551	155,455	8,904
Supreme Court	13,360	13,747	387	13,360	13,747	387
State Law Library	1,528	2,949	1,421	3,028	2,949	-79
Court of Appeals	30,528	31,376	848	30,528	31,376	848
Commission on Judicial Conduct	2,028	2,062	34	2,028	2,062	34
Administrative Office of the Courts	99,848	101,856	2,008	150,557	157,941	7,384
Office of Public Defense	54,163	64,129	9,966	58,531	67,929	9,398
Office of Civil Legal Aid	21,592	21,732	140	23,665	23,186	-479
Total Judicial	223,047	237,851	14,804	281,697	299,190	17,493
Total Legislative/Judicial	362,341	379,251	16,910	428,248	454,645	26,397

Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Office of the Governor	10,361	10,726	365	11,861	14,726	2,865
Office of the Lieutenant Governor	1,301	1,312	11	1,396	1,407	11
Public Disclosure Commission	3,957	4,097	140	3,957	4,097	140
Office of the Secretary of State	26,019	20,891	-5,128	85,071	80,900	-4,171
Governor's Office of Indian Affairs	517	501	-16	517	501	-16
Asian-Pacific-American Affrs	446	420	-26	446	420	-26
Office of the State Treasurer	0	0	0	15,144	14,924	-220
Office of the State Auditor	0	1,461	1,461	72,887	75,841	2,954
Comm Salaries for Elected Officials	327	312	-15	327	312	-15
Office of the Attorney General	12,648	20,588	7,940	228,850	228,251	-599
Caseload Forecast Council	2,457	2,490	33	2,457	2,490	33
Dept of Financial Institutions	0	0	0	46,190	47,883	1,693
Department of Commerce	110,638	123,227	12,589	551,345	515,885	-35,460
Economic & Revenue Forecast Council	1,437	1,566	129	1,487	1,616	129
Office of Financial Management	37,047	35,956	-1,091	120,813	119,926	-887
Office of Administrative Hearings	0	0	0	36,463	37,822	1,359
State Lottery Commission	0	0	0	801,712	810,516	8,804
Washington State Gambling Comm	0	0	0	31,975	29,984	-1,991
WA State Comm on Hispanic Affairs	488	473	-15	488	473	-15
African-American Affairs Comm	469	457	-12	469	457	-12
Department of Retirement Systems	0	0	0	52,158	57,297	5,139
State Investment Board	0	0	0	29,075	36,035	6,960
Innovate Washington	5,634	0	-5,634	8,511	3,377	-5,134
Department of Revenue	199,898	214,286	14,388	231,531	253,027	21,496
Board of Tax Appeals	2,339	2,395	56	2,339	2,395	56
Minority & Women's Business Enterp	0	0	0	3,754	4,077	323
Office of Insurance Commissioner	650	400	-250	53,087	55,126	2,039
Consolidated Technology Services	0	0	0	208,054	230,197	22,143
State Board of Accountancy	0	0	0	2,642	2,699	57
Forensic Investigations Council	0	0	0	490	498	8
Dept of Enterprise Services	6,710	7,282	572	479,131	451,353	-27,778
Washington Horse Racing Commission	0	0	0	6,744	5,724	-1,020
WA State Liquor Control Board	0	0	0	192,113	66,998	-125,115
Utilities and Transportation Comm	0	0	0	48,567	52,620	4,053
Board for Volunteer Firefighters	0	0	0	1,039	1,044	5
Military Department	14,054	3,726	-10,328	339,053	273,568	-65,485
Public Employment Relations Comm	4,234	4,013	-221	7,800	7,834	34
LEOFF 2 Retirement Board	0	0	0	2,044	2,249	205
Archaeology & Historic Preservation	0	2,535	2,535	4,605	4,699	94
Total Governmental Operations	441,631	459,114	17,483	3,686,592	3,499,248	-187,344

Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

HUMAN SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
WA State Health Care Authority	4,141,984	4,245,757	103,773	10,317,601	12,448,344	2,130,743
Human Rights Commission	3,947	4,073	126	5,840	6,258	418
Bd of Industrial Insurance Appeals	0	0	0	39,209	39,536	327
Criminal Justice Training Comm	29,093	28,416	-677	42,694	40,680	-2,014
Department of Labor and Industries	35,312	34,683	-629	632,608	656,795	24,187
Department of Health	156,993	119,428	-37,565	1,118,516	1,043,149	-75,367
Department of Veterans' Affairs	15,339	14,674	-665	120,160	132,503	12,343
Department of Corrections	1,606,534	1,665,144	58,610	1,629,223	1,686,929	57,706
Dept of Services for the Blind	4,290	4,439	149	26,041	27,488	1,447
Employment Security Department	0	0	0	712,646	682,904	-29,742
Total Other Human Services	5,993,492	6,116,614	123,122	14,644,538	16,764,586	2,120,048

Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Children and Family Services	565,138	594,317	29,179	1,056,061	1,104,082	48,021
Juvenile Rehabilitation	171,269	180,222	8,953	179,978	189,047	9,069
Mental Health	884,112	916,582	32,470	1,584,592	1,724,299	139,707
Developmental Disabilities	982,958	1,075,071	92,113	1,914,068	2,082,080	168,012
Long-Term Care	1,591,674	1,792,846	201,172	3,395,699	3,848,450	452,751
Economic Services Administration	802,239	807,523	5,284	2,010,082	2,049,891	39,809
Alcohol & Substance Abuse	144,761	135,742	-9,019	371,184	444,040	72,856
Vocational Rehabilitation	21,207	32,937	11,730	128,895	132,350	3,455
Administration/Support Svcs	52,370	59,460	7,090	101,388	97,264	-4,124
Special Commitment Center	86,265	72,233	-14,032	86,265	72,233	-14,032
Payments to Other Agencies	111,724	120,981	9,257	165,133	176,245	11,112
Total DSHS	5,413,717	5,787,914	374,197	10,993,345	11,919,981	926,636
Total Human Services	11,407,209	11,904,528	497,319	25,637,883	28,684,567	3,046,684

Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

NATURAL RESOURCES

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Columbia River Gorge Commission	805	891	86	1,611	1,796	185
Department of Ecology	70,624	51,435	-19,189	441,043	458,113	17,070
WA Pollution Liab Insurance Program	0	0	0	1,613	1,587	-26
State Parks and Recreation Comm	17,334	8,508	-8,826	142,627	128,452	-14,175
Rec and Conservation Funding Board	1,721	1,638	-83	9,315	9,855	540
Environ & Land Use Hearings Office	4,173	4,374	201	4,173	4,374	201
State Conservation Commission	13,209	13,579	370	14,510	16,880	2,370
Dept of Fish and Wildlife	60,515	59,320	-1,195	359,848	374,747	14,899
Puget Sound Partnership	4,526	4,734	208	18,130	18,900	770
Department of Natural Resources	98,689	87,607	-11,082	394,706	418,580	23,874
Department of Agriculture	29,971	30,594	623	145,042	154,157	9,115
Total Natural Resources	301,567	262,680	-38,887	1,532,618	1,587,441	54,823

Washington State Omnibus Operating Budget
2011-13 Budget vs. 2013-15 Budget
TRANSPORTATION
(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Washington State Patrol	77,342	67,138	-10,204	139,185	138,577	-608
WA Traffic Safety Commission	0	982	982	0	982	982
Department of Licensing	2,442	2,444	2	40,538	42,360	1,822
Total Transportation	79,784	70,564	-9,220	179,723	181,919	2,196

Washington State Omnibus Operating Budget
2011-13 Budget vs. 2013-15 Budget
PUBLIC SCHOOLS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
OSPI & Statewide Programs	52,705	53,305	600	144,112	127,657	-16,455
General Apportionment	10,379,852	11,305,188	925,336	10,402,179	11,305,188	903,009
Pupil Transportation	596,136	792,528	196,392	596,136	792,528	196,392
School Food Services	14,222	14,222	0	665,234	632,560	-32,674
Special Education	1,309,038	1,486,343	177,305	1,808,960	1,948,365	139,405
Educational Service Districts	15,790	16,294	504	15,790	16,294	504
Levy Equalization	600,305	646,707	46,402	604,705	646,707	42,002
Elementary/Secondary School Improv	0	0	0	6,152	4,052	-2,100
Institutional Education	31,241	30,784	-457	31,241	30,784	-457
Ed of Highly Capable Students	17,902	19,232	1,330	17,902	19,232	1,330
Education Reform	163,129	227,963	64,834	388,319	438,199	49,880
Transitional Bilingual Instruction	163,676	201,620	37,944	234,677	272,636	37,959
Learning Assistance Program (LAP)	254,056	414,691	160,635	760,263	863,125	102,862
Compensation Adjustments	0	0	0	2	0	-2
Total Public Schools	13,598,052	15,208,877	1,610,825	15,675,672	17,097,327	1,421,655

Washington State Omnibus Operating Budget

2011-13 Budget vs. 2013-15 Budget

EDUCATION

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Student Achievement Council	325,468	683,457	357,989	345,442	724,990	379,548
Higher Education Coordinating Board	292,480	0	-292,480	310,738	0	-310,738
University of Washington	421,417	506,095	84,678	5,817,147	6,359,033	541,886
Washington State University	301,211	348,312	47,101	1,229,991	1,404,880	174,889
Eastern Washington University	68,085	78,763	10,678	248,399	297,749	49,350
Central Washington University	65,058	78,328	13,270	300,240	325,152	24,912
The Evergreen State College	36,248	41,512	5,264	108,506	130,596	22,090
Western Washington University	79,715	101,969	22,254	335,753	368,287	32,534
Community/Technical College System	1,144,958	1,234,634	89,676	2,399,034	2,592,935	193,901
Total Higher Education	2,734,640	3,073,070	338,430	11,095,250	12,203,622	1,108,372
State School for the Blind	11,467	11,837	370	13,420	13,818	398
Childhood Deafness & Hearing Loss	16,870	17,206	336	17,396	17,774	378
Workforce Trng & Educ Coord Board	2,655	3,060	405	65,891	57,839	-8,052
Department of Early Learning	130,155	162,942	32,787	411,595	482,645	71,050
Washington State Arts Commission	0	2,226	2,226	5,307	4,312	-995
Washington State Historical Society	0	4,273	4,273	6,086	6,574	488
East Wash State Historical Society	0	3,130	3,130	6,082	5,662	-420
Total Other Education	161,147	204,674	43,527	525,777	588,624	62,847
Total Education	16,493,839	18,486,621	1,992,782	27,296,699	29,889,573	2,592,874

Washington State Omnibus Operating Budget
2011-13 Budget vs. 2013-15 Budget
SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	NGF-S + Opportunity Pathways			Total All Funds		
	2011-13	2013-15	Difference	2011-13	2013-15	Difference
Bond Retirement and Interest	2,143,553	1,846,874	-296,679	2,297,515	2,003,431	-294,084
Special Approps to the Governor	112,172	90,142	-22,030	131,700	90,142	-41,558
Sundry Claims	600	0	-600	600	0	-600
State Employee Compensation Adjust	0	-10,000	-10,000	0	-10,000	-10,000
Contributions to Retirement Systems	129,476	141,500	12,024	129,476	141,500	12,024
Total Special Appropriations	2,385,801	2,068,516	-317,285	2,559,291	2,225,073	-334,218

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Legislative

The 2013-15 operating biennial budget provides \$141.4 million from Near General Fund-State and \$155.5 million in total funds for expenses associated with legislative agencies. This collective level of funding reflects a \$3.9 million (2.8 percent) increase in Near General Fund-State and a \$10.7 million (6.9 percent) increase in total funds from funding levels provided in the 2012 supplemental operating budget.

Office of Legislative Support Services

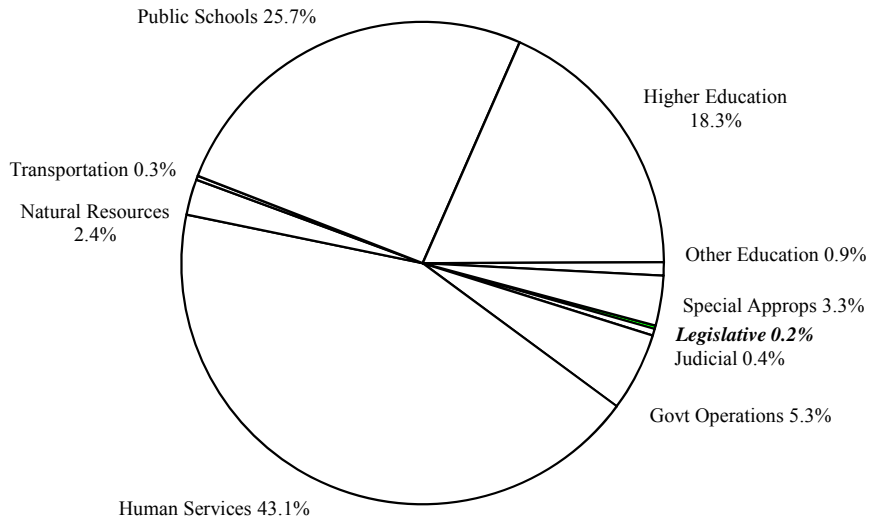
A total of \$732,000 General Fund-State is transferred, on a cost-neutral basis, from the House of Representatives, Senate, and Joint Legislative Service Committee to the Office of Legislative Support Services. The Office of Legislative Support Services was established in Chapter 113, Laws of 2012 (HB 2705) to consolidate administrative and support functions of Legislative agencies. This transfer continues implementation of this legislation.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

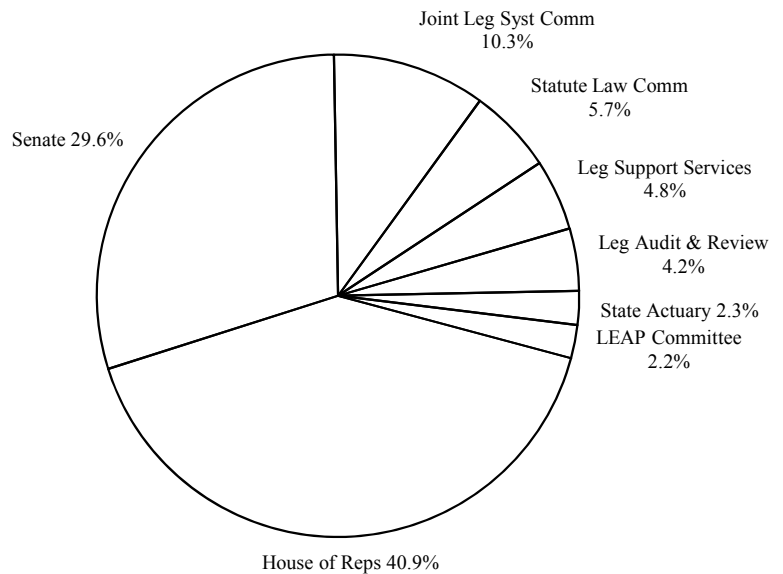
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

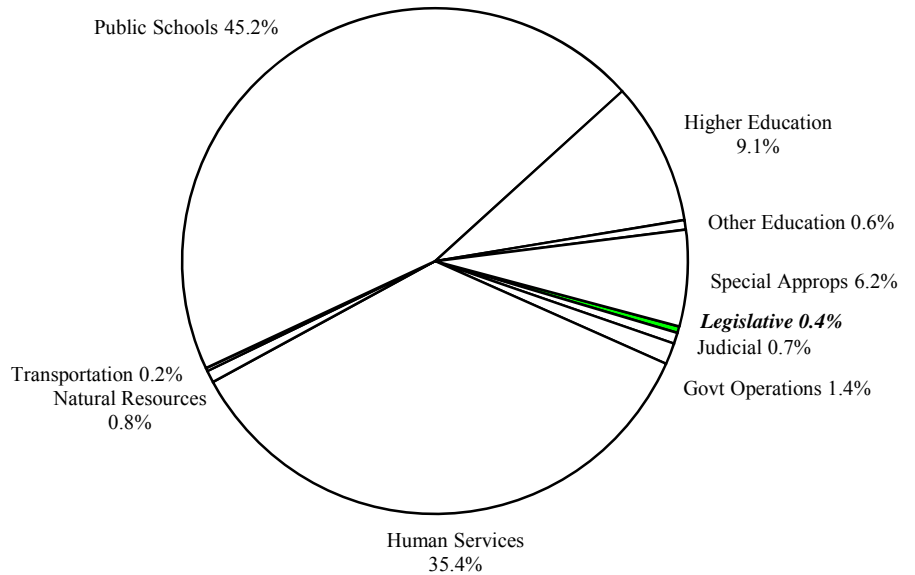
House of Representatives	63,629
Senate	46,069
Jt Leg Systems Comm	15,977
Statute Law Committee	8,888
Leg Support Services	7,421
Jt Leg Audit & Rev Comm	6,478
State Actuary	3,529
LEAP Committee	3,464
Legislative	155,455



Legislative

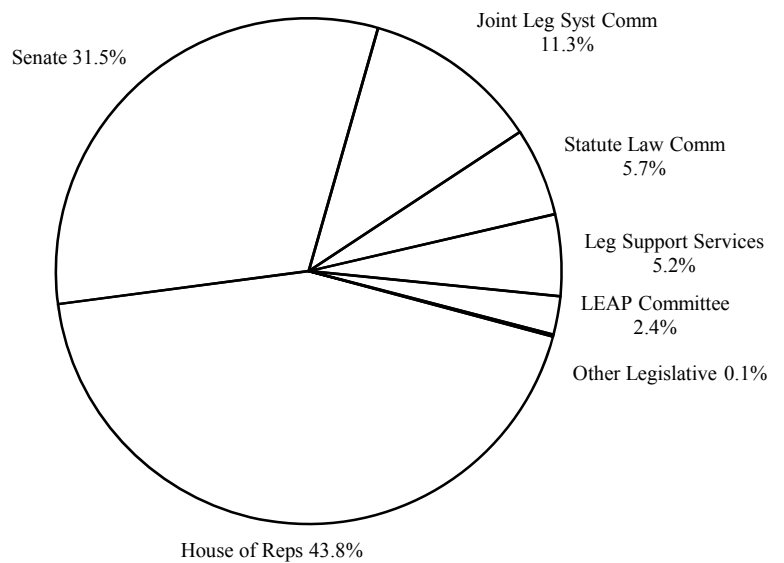
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

<i>Legislative</i>	<i>141,400</i>
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

House of Representatives	61,864
Senate	44,555
Jt Leg Systems Comm	15,977
Statute Law Committee	7,997
Leg Support Services	7,370
LEAP Committee	3,464
Other Legislative	173
<i>Legislative</i>	<i>141,400</i>



Legislative

House of Representatives

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	57,939	1,491	59,430
2013-15 Maintenance Level	62,309	1,765	64,074
Policy Changes - Other			
1. CTS Central Services	5	0	5
2. DES Central Services	-90	0	-90
Policy -- Other Total	-85	0	-85
Policy Changes - Comp			
3. State Employee Health Insurance	-106	0	-106
4. Wellness - Smoker Surcharge	-16	0	-16
5. PEBB - Coverage Waiver Surcharge	-94	0	-94
Policy -- Comp Total	-216	0	-216
Policy Changes - Transfers			
6. Legislative Cost Transfers	-144	0	-144
Policy -- Transfer Total	-144	0	-144
Total 2013-15 Biennium	61,864	1,765	63,629
Fiscal Year 2014 Total	30,789	874	31,663
Fiscal Year 2015 Total	31,075	891	31,966

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
3. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
4. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
5. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.
6. **Legislative Cost Transfers** - Costs are shifted, with no net funding increase, to the Office of Legislative Support Services from the House of Representatives, the Senate, and the Legislative Systems Committee (LSC) to consolidate legislative support services.

Senate

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	43,246	1,421	44,667
2013-15 Maintenance Level	44,939	1,514	46,453
Policy Changes - Other			
1. CTS Central Services	5	0	5
2. DES Central Services	-93	0	-93
Policy -- Other Total	-88	0	-88
Policy Changes - Comp			
3. State Employee Health Insurance	-75	0	-75
4. Wellness - Smoker Surcharge	-11	0	-11
5. PEBB - Coverage Waiver Surcharge	-66	0	-66
Policy -- Comp Total	-152	0	-152
Policy Changes - Transfers			
6. Legislative Cost Transfers	-144	0	-144
Policy -- Transfer Total	-144	0	-144
Total 2013-15 Biennium	44,555	1,514	46,069
Fiscal Year 2014 Total	21,150	757	21,907
Fiscal Year 2015 Total	23,405	757	24,162

Comments:

- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.
- Legislative Cost Transfers** - Costs are shifted, with no net funding increase, to the Office of Legislative Support Services from the House of Representatives, the Senate, and the Legislative Systems Committee (LSC) to consolidate legislative support services.

Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	5,120	170	5,290
2013-15 Maintenance Level	5,830	664	6,494
Policy Changes - Other			
1. DES Central Services	-1	0	-1
2. Audit Functions	-5,641	5,641	0
Policy -- Other Total	-5,642	5,641	-1
Policy Changes - Comp			
3. State Employee Health Insurance	-7	0	-7
4. Wellness - Smoker Surcharge	-1	0	-1
5. PEBB - Coverage Waiver Surcharge	-7	0	-7
Policy -- Comp Total	-15	0	-15
Total 2013-15 Biennium	173	6,305	6,478
Fiscal Year 2014 Total	62	3,108	3,170
Fiscal Year 2015 Total	111	3,197	3,308

Comments:

1. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
2. **Audit Functions** - Funding for agency operations is shifted to the Performance Audits of Government Account from the General Fund-State. Funding will be utilized for all legislative and statutory audit functions during the 2013-15 biennium. (General Fund-State, Performance Audits of Government Account-State)
3. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
4. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
5. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	3,745	0	3,745
2013-15 Maintenance Level	3,471	0	3,471
Policy Changes - Other			
1. DES Central Services	-1	0	-1
Policy -- Other Total	-1	0	-1
Policy Changes - Comp			
2. State Employee Health Insurance	-3	0	-3
3. PEBB - Coverage Waiver Surcharge	-3	0	-3
Policy -- Comp Total	-6	0	-6
Total 2013-15 Biennium	3,464	0	3,464
Fiscal Year 2014 Total	1,653	0	1,653
Fiscal Year 2015 Total	1,811	0	1,811

Comments:

1. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
2. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
3. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Legislative Evaluation & Accountability Program's budget is shown in the Transportation Budget Section of this document.

Joint Legislative Systems Committee

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	15,679	0	15,679
2013-15 Maintenance Level	16,450	0	16,450
Policy Changes - Other			
1. CTS Central Services	6	0	6
2. DES Central Services	-5	0	-5
Policy -- Other Total	1	0	1
Policy Changes - Comp			
3. State Employee Health Insurance	-15	0	-15
4. Wellness - Smoker Surcharge	-2	0	-2
5. PEBB - Coverage Waiver Surcharge	-13	0	-13
Policy -- Comp Total	-30	0	-30
Policy Changes - Transfers			
6. Legislative Cost Transfers	-444	0	-444
Policy -- Transfer Total	-444	0	-444
Total 2013-15 Biennium	15,977	0	15,977
Fiscal Year 2014 Total	8,004	0	8,004
Fiscal Year 2015 Total	7,973	0	7,973

Comments:

- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.
- Legislative Cost Transfers** - Costs are shifted, with no net funding increase, to the Office of Legislative Support Services from the House of Representatives, the Senate and the Legislative Systems Committee (LSC) to consolidate legislative support services.

Office of the State Actuary

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	3,323	3,323
2013-15 Maintenance Level	0	3,490	3,490
Policy Changes - Other			
1. DES Central Services	0	-1	-1
Policy -- Other Total	0	-1	-1
Policy Changes - Comp			
2. OSA Retention Contingency Package	0	50	50
3. State Employee Health Insurance	0	-5	-5
4. Wellness - Smoker Surcharge	0	-1	-1
5. PEBB - Coverage Waiver Surcharge	0	-4	-4
Policy -- Comp Total	0	40	40
Total 2013-15 Biennium	0	3,529	3,529
Fiscal Year 2014 Total	0	1,802	1,802
Fiscal Year 2015 Total	0	1,727	1,727

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- OSA Retention Contingency Package** - Funding is provided for salary increases for retention purposes, if necessary. The amount is sufficient for a one-time salary increase of 10 percent for two credentialed actuaries for 24 months, based on the current average annual salary for credentialed actuarial staff. (Department of Retirement Systems Expense Account-State)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the

PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Statute Law Committee

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	8,768	852	9,620
2013-15 Maintenance Level	8,032	892	8,924
Policy Changes - Other			
1. DES Central Services	-8	-1	-9
Policy -- Other Total	-8	-1	-9
Policy Changes - Comp			
2. State Employee Health Insurance	-13	0	-13
3. Wellness - Smoker Surcharge	-2	0	-2
4. PEBB - Coverage Waiver Surcharge	-12	0	-12
Policy -- Comp Total	-27	0	-27
Total 2013-15 Biennium	7,997	891	8,888
Fiscal Year 2014 Total	3,895	276	4,171
Fiscal Year 2015 Total	4,102	615	4,717

Comments:

1. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
3. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
4. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of Legislative Support Services

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	3,016	0	3,016
2013-15 Maintenance Level	6,662	51	6,713
Policy Changes - Other			
1. DES Central Services	-3	0	-3
Policy -- Other Total	-3	0	-3
Policy Changes - Comp			
2. State Employee Health Insurance	-10	0	-10
3. Wellness - Smoker Surcharge	-2	0	-2
4. PEBB - Coverage Waiver Surcharge	-9	0	-9
Policy -- Comp Total	-21	0	-21
Policy Changes - Transfers			
5. Legislative Cost Transfers	732	0	732
Policy -- Transfer Total	732	0	732
Total 2013-15 Biennium	7,370	51	7,421
Fiscal Year 2014 Total	3,686	26	3,712
Fiscal Year 2015 Total	3,684	25	3,709

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.
- Legislative Cost Transfers** - Costs are shifted, with no net funding increase, to the Office of Legislative Support Services from the House of Representatives, the Senate, and the Legislative Systems Committee (LSC) to consolidate legislative support services.

Judicial

Judicial Stabilization Trust Account

Pursuant to Chapter 7, Laws of 2013, 2nd sp.s. (SHB 1961), temporary surcharges on certain court filing fees collected by superior and district courts were extended through June 30, 2017. For the revenues collected from the surcharges, 75 percent is deposited into the Judicial Stabilization Trust (JST) Account and 25 percent is retained by the county collecting the fee. The surcharges are estimated to raise \$12 million in revenues for the JST Account. Funding from the JST Account is used for costs associated with the Administrative Office of the Courts (AOC), the Office of Public Defense (OPD), and the Office of Civil Legal Aid.

Judicial Information Systems Account

Funding of \$19.5 million from the Judicial Information Systems (JIS) Account is provided for the following:

- One-time funding of \$11.3 million to continue implementation of a new commercial off-the-shelf case management system for the superior courts.
- One-time funding of \$2.1 million to replace computer data center equipment including servers, routers, and storage system upgrades.
- One-time funding of \$1.5 million for development and implementation of the information networking hub to meet the data exchange needs of the courts, as well as to provide a central data repository for court data.
- One-time funding of \$1.2 million to replace computers at local courts and state judicial agencies.
- One-time funding of \$333,000 to acquire a commercial off-the-shelf electronic content management system for the Supreme Court and the Court of Appeals.
- A one-time shift of \$3 million from General Fund-State to the JIS Account for expenditures within the Administrative Office of the Courts.

Parents Representation Program

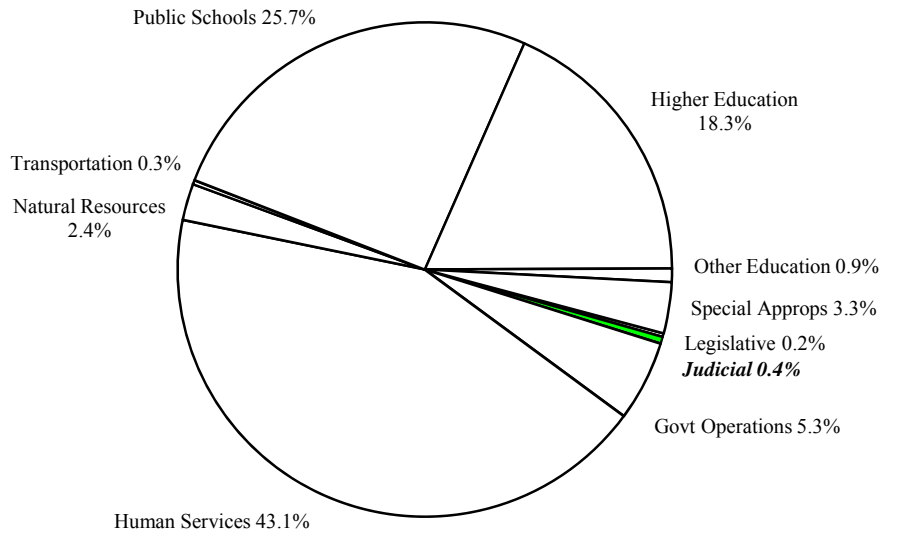
The Parents Representation Program in the OPD funds contract attorneys for indigent parents in dependency and parental termination cases. The program operates in 25 counties, with counties responsible for the function in the remaining jurisdictions. Funding of \$3.4 million is provided to expand the program to Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties beginning July 1, 2014.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

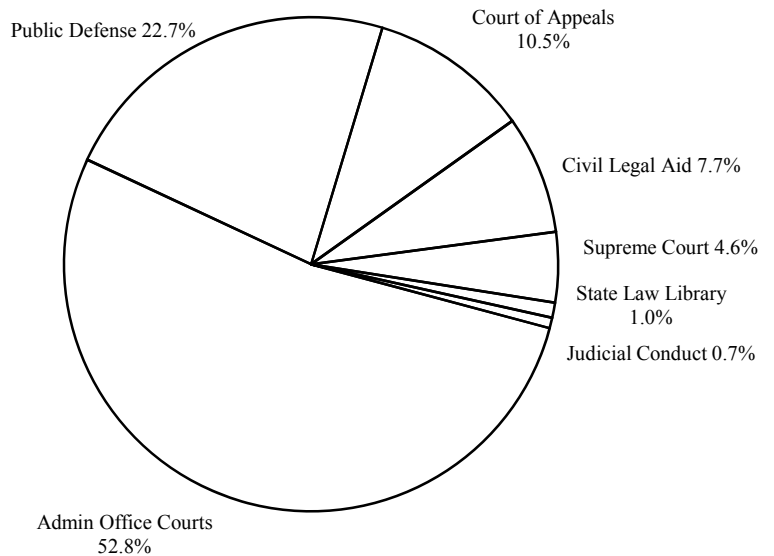
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

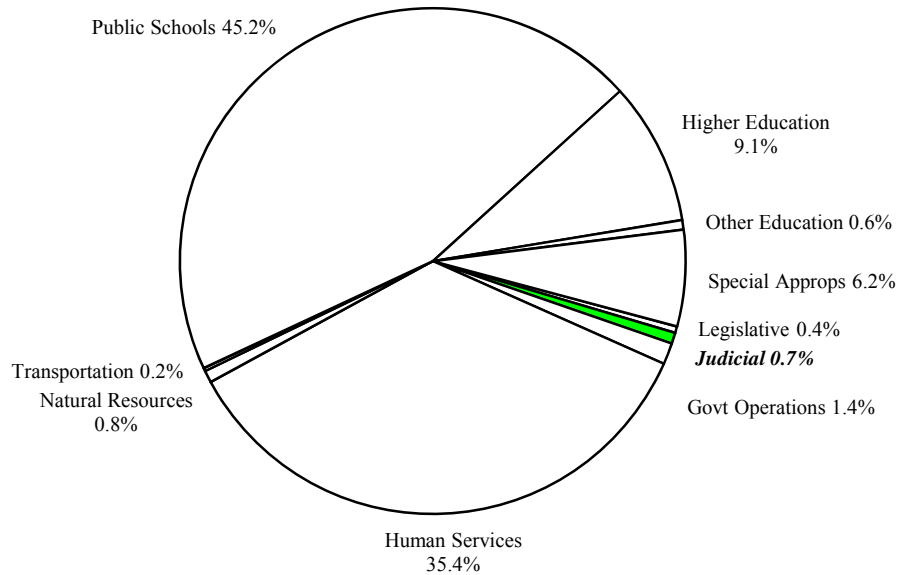
Admin Office Courts	157,941
Office of Public Defense	67,929
Court of Appeals	31,376
Civil Legal Aid	23,186
Supreme Court	13,747
State Law Library	2,949
Judicial Conduct Comm	2,062
Judicial	299,190



Judicial

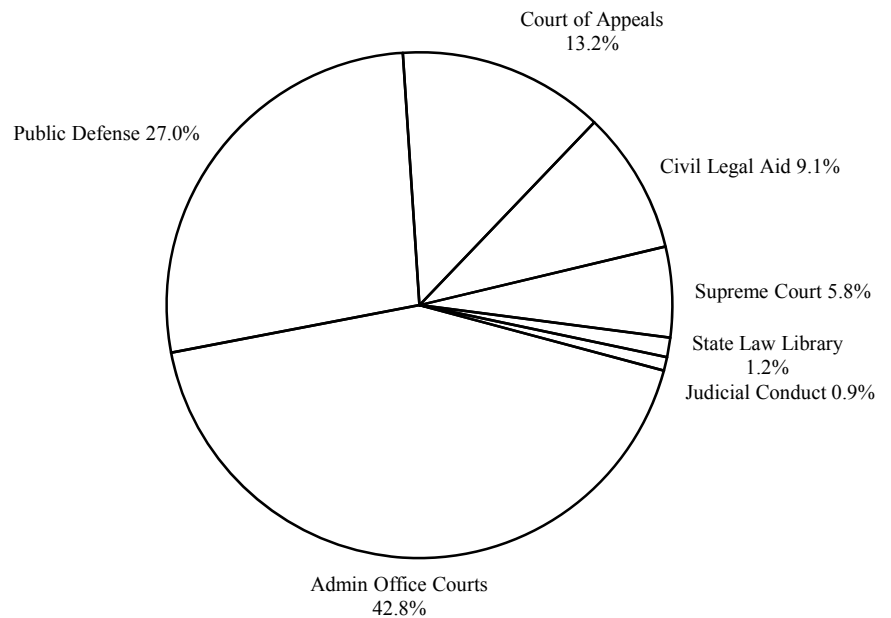
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

Admin Office Courts	101,856
Office of Public Defense	64,129
Court of Appeals	31,376
Civil Legal Aid	21,732
Supreme Court	13,747
State Law Library	2,949
Judicial Conduct Comm	2,062
Judicial	237,851



Judicial

Supreme Court

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	13,318	0	13,318
2013 Supplemental *	42	0	42
Total 2011-13 Biennium	13,360	0	13,360
2013-15 Maintenance Level	13,809	0	13,809
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. CTS Central Services	4	0	4
3. DES Central Services	-23	0	-23
Policy -- Other Total	-20	0	-20
Policy Changes - Comp			
4. State Employee Health Insurance	-21	0	-21
5. Wellness - Smoker Surcharge	-3	0	-3
6. PEBB - Coverage Waiver Surcharge	-18	0	-18
Policy -- Comp Total	-42	0	-42
Total 2013-15 Biennium	13,747	0	13,747
Fiscal Year 2014 Total	6,911	0	6,911
Fiscal Year 2015 Total	6,836	0	6,836

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB)

subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

State Law Library

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,504	1,500	3,004
2013 Supplemental *	24	0	24
Total 2011-13 Biennium	1,528	1,500	3,028
2013-15 Maintenance Level	2,965	0	2,965
Policy Changes - Other			
1. DES Central Services	-10	0	-10
Policy -- Other Total	-10	0	-10
Policy Changes - Comp			
2. State Employee Health Insurance	-3	0	-3
3. PEBB - Coverage Waiver Surcharge	-3	0	-3
Policy -- Comp Total	-6	0	-6
Total 2013-15 Biennium	2,949	0	2,949
Fiscal Year 2014 Total	1,481	0	1,481
Fiscal Year 2015 Total	1,468	0	1,468

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Commission on Judicial Conduct

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	2,028	0	2,028
2013-15 Maintenance Level	2,071	0	2,071
Policy Changes - Other			
1. DES Central Services	-4	0	-4
Policy -- Other Total	-4	0	-4
Policy Changes - Comp			
2. State Employee Health Insurance	-3	0	-3
3. PEBB - Coverage Waiver Surcharge	-2	0	-2
Policy -- Comp Total	-5	0	-5
Total 2013-15 Biennium	2,062	0	2,062
Fiscal Year 2014 Total	1,068	0	1,068
Fiscal Year 2015 Total	994	0	994

Comments:

1. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
2. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
3. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Court of Appeals

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	30,443	0	30,443
2013 Supplemental *	85	0	85
Total 2011-13 Biennium	30,528	0	30,528
2013-15 Maintenance Level	31,182	0	31,182
Policy Changes - Other			
1. CTS Central Services	4	0	4
2. DES Central Services	-6	0	-6
3. Maint Case Resolution Productivity	288	0	288
Policy -- Other Total	286	0	286
Policy Changes - Comp			
4. State Employee Health Insurance	-45	0	-45
5. Wellness - Smoker Surcharge	-7	0	-7
6. PEBB - Coverage Waiver Surcharge	-40	0	-40
Policy -- Comp Total	-92	0	-92
Total 2013-15 Biennium	31,376	0	31,376
Fiscal Year 2014 Total	15,691	0	15,691
Fiscal Year 2015 Total	15,685	0	15,685

Comments:

- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Maint Case Resolution Productivity** - Funding is provided for the restoration of a court commissioner position, which was previously eliminated due to budget reductions.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB)

subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Administrative Office of the Courts

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	99,154	51,238	150,392
2013 Supplemental *	694	-529	165
Total 2011-13 Biennium	99,848	50,709	150,557
2013-15 Maintenance Level	111,595	29,921	141,516
Policy Changes - Other			
1. CTS Central Services	124	0	124
2. DES Central Services	-26	0	-26
3. JST Account Funding	-6,691	6,691	0
4. Superior Court Judge Whatcom County	216	0	216
5. Superior Ct. Judge Benton/Franklin	216	0	216
6. Boating Safety	0	67	67
7. Superior Courts-Case Mgmt System	0	11,300	11,300
8. Information Networking Hub	0	1,500	1,500
9. Internal Equipment Replacement	0	2,138	2,138
10. External Equipment Replacement	0	1,199	1,199
11. Electronic Content Mgmt System	0	333	333
12. Reduce LFO Payments	-370	0	-370
13. GF-S/JIS	-3,000	3,000	0
Policy -- Other Total	-9,531	26,228	16,697
Policy Changes - Comp			
14. State Employee Health Insurance	-102	-31	-133
15. Wellness - Smoker Surcharge	-15	-5	-20
16. PEBB - Coverage Waiver Surcharge	-91	-28	-119
Policy -- Comp Total	-208	-64	-272
Total 2013-15 Biennium	101,856	56,085	157,941
Fiscal Year 2014 Total	51,085	29,145	80,230
Fiscal Year 2015 Total	50,771	26,940	77,711

Comments:

- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- JST Account Funding** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with Administrative Office of the Courts (AOC). Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 7m Laws of 2013, 2nd sp.s. (SHB 1961). (Judicial Stabilization Trust Account-State, General Fund-State)
- Superior Court Judge Whatcom County** - Funding is provided for an additional superior court judge position in Whatcom County, pursuant to Chapter 210, Laws of 2013 (SB 5052). By statute, the state's share of the cost of superior court judges is set at one-half the salary and all of the benefits.
- Superior Ct. Judge Benton/Franklin** - Funding is provided for an additional superior court judge position in Benton and Franklin counties combined, pursuant to Chapter 142, Laws of 2013 (HB 1175). By statute, the state's share of the cost of superior court judges is set at one-half the salary and all of the benefits.
- Boating Safety** - Chapter 278, Laws of 2013 (SSB 5437) makes operating a vessel while under the influence of alcohol, marijuana, or any drug a gross misdemeanor offense and establishes boating safety criteria for any person who has vessels for rent, lease, charter, or use. One-time funding for AOC is provided to modify the Judicial Information System and other databases to track the new information, particularly related to marijuana. (Judicial Information System Account-State)
- Superior Courts-Case Mgmt System** - Funding is provided to continue with the implementation of the new commercial off-the-shelf case management system for the superior courts. The Superior Court Case Management System Project Steering Committee will continue to provide oversight of the project. (Judicial Information Systems Account-State)

Administrative Office of the Courts

8. **Information Networking Hub** - Funding is provided, contingent on approval of the Office of the Chief Information Officer (OCIO), to continue development and implementation of the Information Networking Hub to provide a comprehensive set of bi-directional data exchanges in real-time to meet the data exchange needs of the courts, as well as provide a central data repository for court data. (Judicial Information Systems Account-State) The provision requiring approval by the OCIO was vetoed.
9. **Internal Equipment Replacement** - Funding is provided, contingent on approval of the Office of the Chief Information Officer (OCIO), to replace computer equipment including servers, routers, and storage system upgrades. (Judicial Information Systems Account-State) The provision requiring approval by the OCIO was vetoed.
10. **External Equipment Replacement** - Funding is provided to replace aged computer equipment at the courts. (Judicial Information Systems Account-State)
11. **Electronic Content Mgmt System** - Funding is provided to acquire a commercial off-the-shelf electronic content management system for the Supreme Court and the Court of Appeals. (Judicial Information Systems Account-State)
12. **Reduce LFO Payments** - Funding is reduced for the cost of the legal financial obligation collection program. (General Fund-State)
13. **GF-S/JIS** - Funding is increased from the Judicial Information Systems Account for the 2013-15 biennium and general fund-state appropriations are reduced in the same amount. (General Fund-State, Judicial Information Systems Account-State)
14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
15. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
16. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Office of Public Defense

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	54,163	4,368	58,531
2013-15 Maintenance Level	64,310	0	64,310
Policy Changes - Other			
1. DES Central Services	-1	0	-1
2. Immigration Consequences Advisement	100	0	100
3. Increase Federal Authority - CCLI	0	152	152
4. JST Account Funding	-3,648	3,648	0
5. Parents Representation Program	3,378	0	3,378
Policy -- Other Total	-171	3,800	3,629
Policy Changes - Comp			
6. State Employee Health Insurance	-5	0	-5
7. Wellness - Smoker Surcharge	-1	0	-1
8. PEBB - Coverage Waiver Surcharge	-4	0	-4
Policy -- Comp Total	-10	0	-10
Total 2013-15 Biennium	64,129	3,800	67,929
Fiscal Year 2014 Total	30,410	1,976	32,386
Fiscal Year 2015 Total	33,719	1,824	35,543

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Immigration Consequences Advisement** - Funding is provided for expansion of the Washington Defender Association's immigration consequences program.
- Increase Federal Authority - CCLI** - One-time expenditure authority is extended for the Department of Justice grants awarded to the Office of Public Defense (OPD) under the Capital Case Litigation Initiative for a death penalty trial training program. (General Fund-Federal)
- JST Account Funding** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with the OPD. Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 7, Laws of 2013, 2nd sp.s. (SHB 1961). (Judicial Stabilization Trust Account-State, General Fund-State)
- Parents Representation Program** - Funding is provided to expand the Parents Representation Program to Asotin, Columbia, Garfield, King, Whatcom, and Whitman counties beginning July 1, 2014.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of Civil Legal Aid

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	21,592	2,073	23,665
2013-15 Maintenance Level	23,186	0	23,186
Policy Changes - Other			
1. JST Account Funding	-1,454	1,454	0
Policy -- Other Total	-1,454	1,454	0
Total 2013-15 Biennium	21,732	1,454	23,186
Fiscal Year 2014 Total	10,862	727	11,589
Fiscal Year 2015 Total	10,870	727	11,597

Comments:

- JST Account Funding** - Funding from the Judicial Stabilization Trust (JST) Account is provided for costs associated with the Office of Civil Legal Aid. Revenue deposited in the JST Account comes from a temporary surcharge on certain court filing fees, pursuant to Chapter 7, Laws of 2013, 2nd sp.s. (SHB 1961). (Judicial Stabilization Trust Account-State, General Fund-State)

Governmental Operations

Department of Commerce

The Department of Commerce (COM) administers a variety of state programs focused on enhancing and promoting sustainable communities and economic vitality in Washington. Key activities of COM include support of economic development, affordable housing and homeless programs, growth management, and a variety of services to local communities. The 2013-15 operating budget provides COM with \$515.9 million in total funds (\$123.2 million General Fund-State) to support these activities.

Reductions

General Fund-State funding to COM is reduced by \$29.6 million. The largest portion of these reductions is to the Essential Needs and Housing Program, which is reduced by \$20 million in the biennium. The Essential Needs and Housing Program was established in 2011 and the reduction reflects lower demand for the program's services than originally projected. Funding for a number of pass-through grants funded through the state general fund for economic development, community mobilization, and other activities are eliminated in the 2013-15 budget, achieving a savings of \$6.4 million.

Increases

General Fund-State funding to COM is increased by \$8.4 million. The largest portion of these increases is \$4.9 million for COM to establish and operate a community health care, education, and innovation center at the Pacific Medical Center in Seattle. Funding is also provided for the Pacific Medical Center in the capital budget.

A total of \$1.4 million is provided for COM to identify, prioritize, and invest in strategic growth areas of the state. COM must receive a 100 percent match for every dollar expended for these purposes.

A total of \$1 million is provided for a contract with the Washington Tourism Alliance to expand and promote the tourism industry in Washington.

Office of the Secretary of State

Funds are provided to purchase statewide online access to the Microsoft Information Technology Academy to allow public access to online courses and learning resources through public libraries.

Innovate Washington

Chapter 14, Laws of 2011, 1st sp.s., Partial Veto (2ESB 5764) created Innovate Washington as the successor agency to the Washington Technology Center and the Spokane Intercollegiate Research and Technology Institute. General Fund-State support for Innovate Washington is eliminated in the 2013-15 operating budget for a savings of \$5.6 million. Innovate Washington retains \$3.4 million in total funds.

Department of Revenue

Funding is provided for the phased replacement of the core tax collection systems. In a six-year project, the Department of Revenue will replace these legacy systems to reduce operational risks and increase available features. Business licensing system replacement is funded by the Master License Account. Total funding for the legacy migration is \$11 million.

Liquor Control Board

Funding is provided to implement Initiative 502 (an act relating to marijuana). The Liquor Control Board (LCB) will conduct additional rulemaking, update information technology, and implement licensing activities related to

marijuana production, distribution, and sales. Expenditure authority is increased in the Liquor Revolving Account to reflect these costs.

Additionally, LCB is provided expenditure authority for additional enforcement officers to address public safety concerns associated with the increase in on- and off-premise licensees, product theft and smuggling, and underage consumption. Officers will perform duties such as educating licensees and conducting investigations and undercover compliance checks.

Implementation of Initiative 1183, which mandated the privatization of liquor sales, is continued with funding for LCB to establish auditing and administrative functions for liquor tax collections. With these additional resources, the The Department of Revenue will generate an additional \$4.8 million per year in state and local revenues through the enforcement of liquor taxes.

Attorney General

As part of a pilot program to investigate potential savings by leasing rather than purchasing computer equipment, funding is provided to the Office of the Attorney General in the 2013-15 biennium to replace a portion of its computers and laptops.

Military Department

An expenditure authority of \$8 million is provided from the Enhanced 911 Account to complete the upgrade of the current 911 telephone system to accommodate Next Generation 911 technology. During fiscal years 2014 and 2015, financial assistance will be provided to 22 counties for the replacement of 911 telephone equipment that is at the end of its life and will not be supported by the manufacturer beyond 2014.

Department of Enterprise Services

Existing fund balance in the Data Processing Account will be used to complete the pilot implementation of a time, leave, and attendance system. Implementation of this enterprise system will focus on the Department of Transportation (WSDOT) and Department of Ecology as pilot agencies. The scope of work scheduled for the 2013-15 biennium is estimated at \$15 million.

Unused fund balance related to closing out the Central Stores and Materials Management Center programs will provide funding for process assessment and preparation associated with the configuration and implementation of a modernized financial management system known as Enterprise Resource Planning. The scope of work scheduled for the 2013-15 biennium is estimated at \$2.4 million.

Office of Minority and Women's Business Enterprises

Expenditure authority is increased by \$200,000 to implement a federal program collaboratively with WSDOT to certify small businesses as Small Business Enterprises. Funding for this work is being provided through an interagency agreement with WSDOT.

UtilitiesGovOG and Transportation Commission

Reforms in communications services pursuant to Chapter 8, Laws of 2013 2nd sp.s. (2E2SHB 1971) will provide \$5 million to establish a state universal communications service program that will allow eligible communications providers to receive distributions from the Universal Communications Services Account. The program will terminate on June 30, 2019.

Central Service and Information Technology Savings

The Attorney General

The OAG will work with state agencies to implement stricter policies and best practices to achieve lower legal bills. These efficiencies will be spread to all client agencies for total savings of \$3 million. State agency appropriations are reduced by \$1.2 million in near-state general funds and \$1.8 million in other funds.

Central Service Efficiencies

Through the continued work of central service agencies to reduce both rates and expenditure authority, funding is reduced by \$5 million for both information technology services and consolidated central services to state agencies, for a total state general fund reduction of \$10 million. State agencies will work with the Office of Financial Management and central service agencies to realize savings in procurement, maintenance, operations, and delivery of information technology and central services.

Funding is reduced by \$20 million in recognition of efficiencies gained by consolidating back-office functions after the consolidation of five state agencies within the Department of Enterprise Services. Additional savings are realized by rate reduction that will reduce charges paid by state agencies by a total of \$5 million.

Office of Minority and Women's Business Enterprises

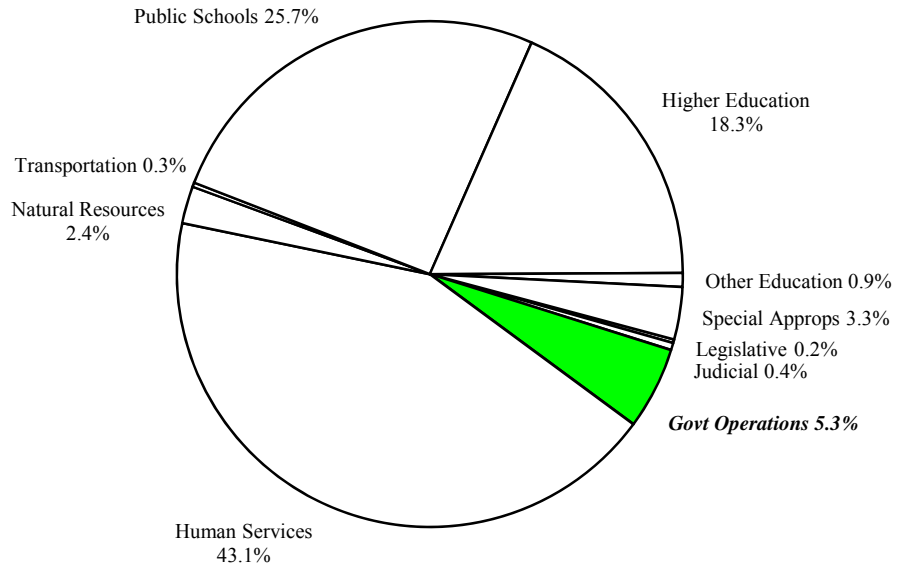
The Office of Minority and Women's Business Enterprises (OMWBE) has restructured the funding mechanism for the OMWBE Enterprise Account. OMWBE will receive a percentage of Master Contract Management Fees paid by vendors who do business with the state and will no longer be billed as a central service to all state agencies. Under this funding model, OMWBE will no longer receive any state general funds.

2013-15 Washington State Omnibus Operating Budget

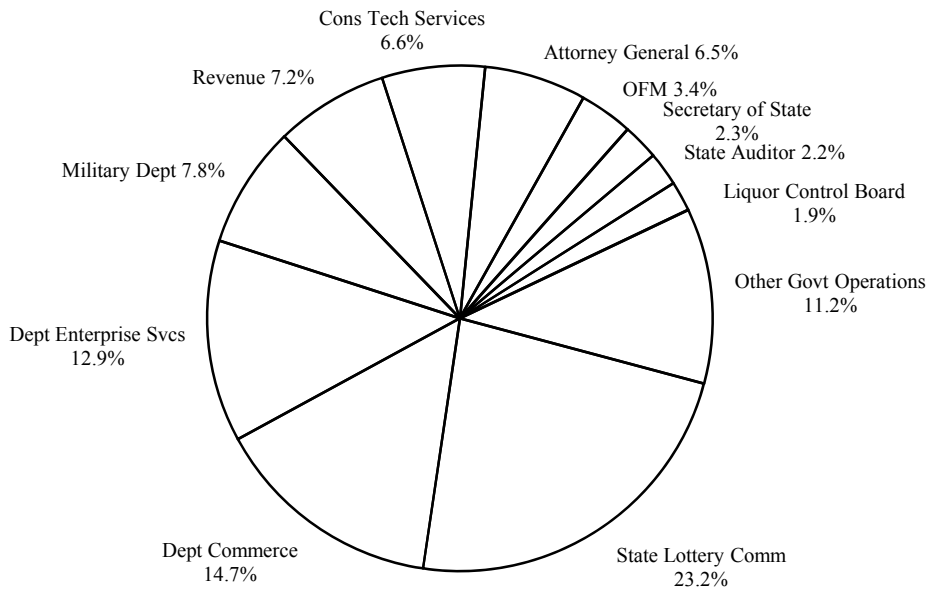
Total Budgeted Funds

(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Lottery Commission	810,516
Dept Commerce	515,885
Dept Enterprise Svcs	451,353
Military Department	273,568
Revenue	253,027
Cons Tech Services	230,197
Attorney General	228,251
OFM	119,926
Secretary of State	80,900
State Auditor	75,841
Liquor Control Board	66,998
Other Govt Operations	392,786
Governmental Operations	3,499,248

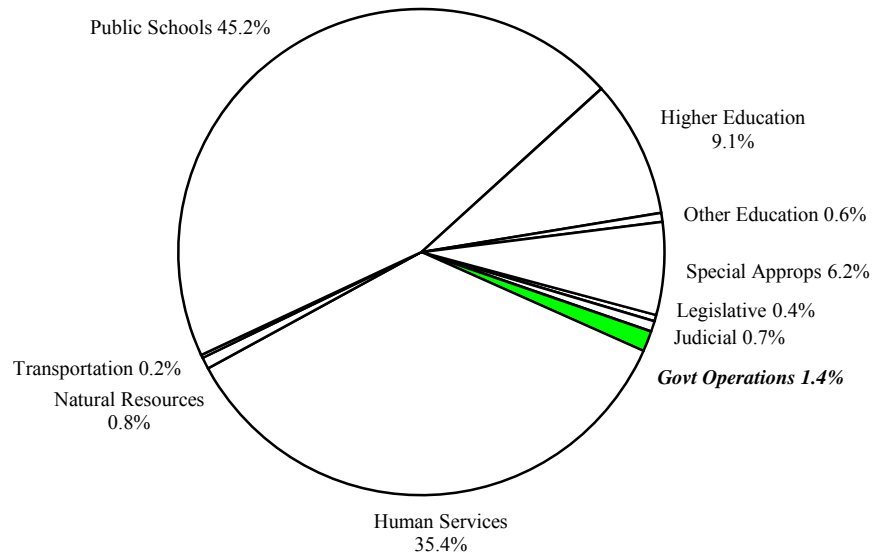


2013-15 Washington State Omnibus Operating Budget

NGF-S + Opportunity Pathways

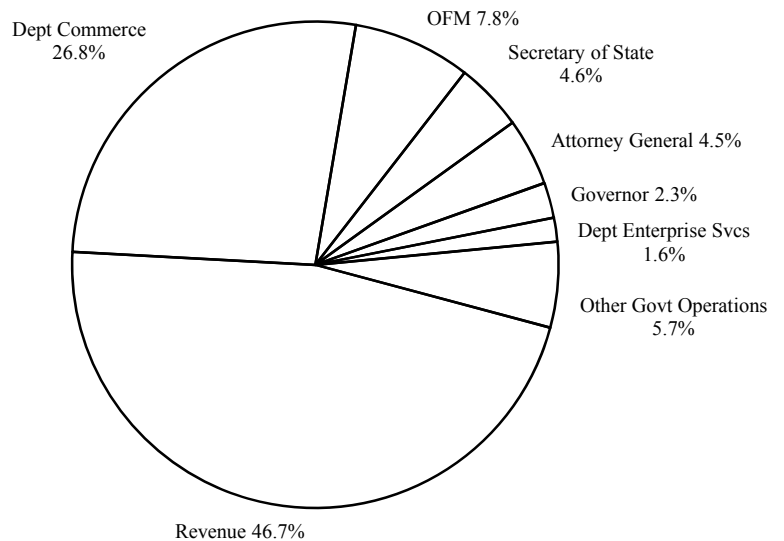
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

Revenue	214,286
Dept Commerce	123,227
OFM	35,956
Secretary of State	20,891
Attorney General	20,588
Office of the Governor	10,726
Dept Enterprise Svcs	7,282
Other Govt Operations	26,158
Governmental Operations	459,114



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	10,349	1,500	11,849
2013 Supplemental *	12	0	12
Total 2011-13 Biennium	10,361	1,500	11,861
2013-15 Maintenance Level	10,188	1,500	11,688
Policy Changes - Other			
1. Economic Development Projects	0	2,500	2,500
2. Attorney General Legal Services	-1	0	-1
3. CTS Central Services	8	0	8
4. DES Central Services	-13	0	-13
5. Education Ombudsman	316	0	316
6. Greenhouse Gas Emissions SB 5802	258	0	258
Policy -- Other Total	568	2,500	3,068
Policy Changes - Comp			
7. State Employee Health Insurance	-15	0	-15
8. Wellness - Smoker Surcharge	-2	0	-2
9. PEBB - Coverage Waiver Surcharge	-13	0	-13
Policy -- Comp Total	-30	0	-30
Total 2013-15 Biennium	10,726	4,000	14,726
Fiscal Year 2014 Total	5,509	2,000	7,509
Fiscal Year 2015 Total	5,217	2,000	7,217

Comments:

- Economic Development Projects** - Additional funding is provided to the Office of the Governor to prevent closure of a business or facility, to prevent relocation of a business or facility in the state to a location outside the state, or to recruit a business or facility to the state. (Economic Development Strategic Reserve Account-State)
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Education Ombudsman** - Funding is increased to support the Office of the Education Ombudsman (OEO). The OEO is a statewide agency within the Office of the Governor that works to resolve complaints and disputes between families and Washington State elementary and secondary public schools in all areas that affect student learning. This increased funding is provided on an ongoing basis.
- Greenhouse Gas Emissions SB 5802** - Funding is provided to implement Chapter 6, Laws of 2013 (E2SSB 5802). The Office of Financial Management must contract with an independent consultant, selected by the Climate Legislative and Executive Work Group (Work Group) established in E2SSB 5802, for an evaluation of approaches to reducing greenhouse gas emissions. The consultant's evaluation is due to the Governor by October 15, 2013. The Work Group will recommend a state program of actions and policies to reduce greenhouse gas emissions. The Work Group must provide a report to the appropriate policy and fiscal committees of the Senate and House of Representatives by December 31, 2013.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.

Office of the Governor

9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Office of the Lieutenant Governor

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,301	95	1,396
2013-15 Maintenance Level	1,318	95	1,413
Policy Changes - Other			
1. DES Central Services	-2	0	-2
Policy -- Other Total	-2	0	-2
Policy Changes - Comp			
2. State Employee Health Insurance	-2	0	-2
3. PEBB - Coverage Waiver Surcharge	-2	0	-2
Policy -- Comp Total	-4	0	-4
Total 2013-15 Biennium	1,312	95	1,407
Fiscal Year 2014 Total	654	47	701
Fiscal Year 2015 Total	658	48	706

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Public Disclosure Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	3,957	0	3,957
2013-15 Maintenance Level	4,090	0	4,090
Policy Changes - Other			
1. Attorney General Legal Services	-4	0	-4
2. CTS Central Services	3	0	3
3. DES Central Services	-1	0	-1
Policy -- Other Total	-2	0	-2
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	18	0	18
5. New Step M for Classified-Yr 2 Impl	4	0	4
6. State Employee Health Insurance	-6	0	-6
7. Wellness - Smoker Surcharge	-1	0	-1
8. PEBB - Coverage Waiver Surcharge	-6	0	-6
Policy -- Comp Total	9	0	9
Total 2013-15 Biennium	4,097	0	4,097
Fiscal Year 2014 Total	2,082	0	2,082
Fiscal Year 2015 Total	2,015	0	2,015

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of the Secretary of State

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	24,659	58,941	83,600
2013 Supplemental *	1,360	111	1,471
Total 2011-13 Biennium	26,019	59,052	85,071
2013-15 Maintenance Level	29,598	57,220	86,818
Policy Changes - Other			
1. Election & Voters' Pamphlet Savings	-800	0	-800
2. State Library Reductions	-632	0	-632
3. State Library to Heritage Fund	-8,860	8,860	0
4. Attorney General Legal Services	-2	-4	-6
5. CTS Central Services	48	70	118
6. DES Central Services	-22	-30	-52
7. Voter Registration & Online Service	0	-5,314	-5,314
8. Productivity Board	0	-781	-781
9. Information Technology Academy	1,543	0	1,543
Policy -- Other Total	-8,725	2,801	-5,924
Policy Changes - Comp			
10. New Step M for Classified-Yr 1 Impl	80	72	152
11. New Step M for Classified-Yr 2 Impl	18	10	28
12. State Employee Health Insurance	-39	-47	-86
13. Wellness - Smoker Surcharge	-6	-7	-13
14. PEBB - Coverage Waiver Surcharge	-35	-40	-75
Policy -- Comp Total	18	-12	6
Total 2013-15 Biennium	20,891	60,009	80,900
Fiscal Year 2014 Total	11,356	31,579	42,935
Fiscal Year 2015 Total	9,535	28,430	37,965

Comments:

- Election & Voters' Pamphlet Savings** - Election savings will be achieved through Chapter 195, Laws of 2013 (2SHB 1195) by repealing the statutory requirement to hold primary elections in a judicial race when only one or two candidates have filed.
- State Library Reductions** - The State Library will reduce programs and services to create General Fund-State savings.
- State Library to Heritage Fund** - State Library services are permanently shifted from the state general fund to the Heritage Center Account. (General Fund-State, Washington State Heritage Center Account-State)
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Voter Registration & Online Service** - The Office of the Secretary of State maintains the statewide voter registration database required by the federal Help America Vote Act of 2002 (HAVA). This reduction reflects changes in the amount of HAVA funding the state will receive in the 2013-15 biennium. (Election Account-Federal)
- Productivity Board** - The operations of the Productivity Board were suspended during the 2011-13 biennium. The suspension is continued for the 2013-15 biennium. (Personnel Service Account-State)
- Information Technology Academy** - Funding is provided on a one-time basis for the State Library to purchase statewide on-line access to the Information Technology Academy to allow public access to on-line courses and learning resources through public libraries.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-

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13 collective bargaining agreements. (General Fund-State, Other Funds)

11. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
12. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
13. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
14. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	517	0	517
2013-15 Maintenance Level	503	0	503
Policy Changes - Other			
1. DES Central Services	-1	0	-1
Policy -- Other Total	-1	0	-1
Policy Changes - Comp			
2. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-1	0	-1
Total 2013-15 Biennium	501	0	501
Fiscal Year 2014 Total	253	0	253
Fiscal Year 2015 Total	248	0	248

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	446	0	446
2013-15 Maintenance Level	421	0	421
Policy Changes - Comp			
1. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-1	0	-1
Total 2013-15 Biennium	420	0	420
Fiscal Year 2014 Total	213	0	213
Fiscal Year 2015 Total	207	0	207

Comments:

1. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of the State Treasurer

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	15,144	15,144
2013-15 Maintenance Level	0	15,435	15,435
Policy Changes - Other			
1. Attorney General Legal Services	0	-4	-4
2. CTS Central Services	0	79	79
3. DES Central Services	0	-10	-10
4. Legal Fees	0	150	150
5. Reduce Excess Expenditure Authority	0	-756	-756
Policy -- Other Total	0	-541	-541
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	70	70
7. New Step M for Classified-Yr 2 Impl	0	3	3
8. State Employee Health Insurance	0	-21	-21
9. Wellness - Smoker Surcharge	0	-3	-3
10. PEBB - Coverage Waiver Surcharge	0	-19	-19
Policy -- Comp Total	0	30	30
Total 2013-15 Biennium	0	14,924	14,924
Fiscal Year 2014 Total	0	7,466	7,466
Fiscal Year 2015 Total	0	7,458	7,458

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- Legal Fees** - Funding is provided for legal fees related to litigation brought against the state, and for legal costs associated with tracking changes to federal financial regulations, credit markets, and the banking sector. (State Treasurer's Service Account--State)
- Reduce Excess Expenditure Authority** - Expenditure authority is reduced to reflect 2013-15 efficiency savings anticipated in the Governor's veto message in the 2012 Supplemental Budget (Chapter 7, Laws of 2012, 2nd sp.s.). (Treasurer's Service Account--State)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage

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where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Office of the State Auditor

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	72,887	72,887
2013-15 Maintenance Level	1,461	79,153	80,614
Policy Changes - Other			
1. Attorney General Legal Services	0	-5	-5
2. CTS Central Services	0	117	117
3. DES Central Services	0	-25	-25
4. Performance Audit Account	0	-4,922	-4,922
Policy -- Other Total	0	-4,835	-4,835
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	0	256	256
6. New Step M for Classified-Yr 2 Impl	0	37	37
7. State Employee Health Insurance	0	-114	-114
8. Wellness - Smoker Surcharge	0	-16	-16
9. PEBB - Coverage Waiver Surcharge	0	-101	-101
Policy -- Comp Total	0	62	62
Total 2013-15 Biennium	1,461	74,380	75,841
Fiscal Year 2014 Total	728	37,087	37,815
Fiscal Year 2015 Total	733	37,293	38,026

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- Performance Audit Account** - Funding from the Performance Audits of Government Account is adjusted to reflect the amount projected to be available for use in performance audits to be conducted by the State Auditor. Additional amounts from the Performance Audits of Government Account Account-State are appropriated to the Joint Legislative Audit and Review Committee and the Office of Financial Management. (Performance Audits of Government Account-Nonappropriated)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than

Office of the State Auditor

95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	<u>NGF-P</u>	<u>Other</u>	<u>Total</u>
2011-13 Expenditure Authority	327	0	327
2013-15 Maintenance Level	313	0	313
Policy Changes - Comp			
1. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-1	0	-1
Total 2013-15 Biennium	312	0	312
Fiscal Year 2014 Total	141	0	141
Fiscal Year 2015 Total	171	0	171

Comments:

- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of the Attorney General

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	12,448	216,265	228,713
2013 Supplemental *	200	-63	137
Total 2011-13 Biennium	12,648	216,202	228,850
2013-15 Maintenance Level	19,380	209,941	229,321
Policy Changes - Other			
1. Legal Services Reduction	0	-3,005	-3,005
2. Law Office Software Upgrades	0	609	609
3. Reduce Anti-Trust to Balance Fund	0	-1,000	-1,000
4. Increase Public Counsel Resources	0	235	235
5. CTS Central Services	0	226	226
6. DES Central Services	0	-111	-111
7. Lease of Personal Computers	0	424	424
8. Grays Harbor Litigation	380	0	380
9. Extended Foster Care	0	150	150
10. Crime Victim Advocates	706	0	706
11. Transportation Improvement Projects	0	189	189
12. Wrongly Convicted Claim	100	0	100
Policy -- Other Total	1,186	-2,283	-1,097
Policy Changes - Comp			
13. New Step M for Classified-Yr 1 Impl	84	676	760
14. New Step M for Classified-Yr 2 Impl	16	94	110
15. State Employee Health Insurance	-38	-376	-414
16. Wellness - Smoker Surcharge	-6	-55	-61
17. PEBB - Coverage Waiver Surcharge	-34	-334	-368
Policy -- Comp Total	22	5	27
Total 2013-15 Biennium	20,588	207,663	228,251
Fiscal Year 2014 Total	10,456	104,182	114,638
Fiscal Year 2015 Total	10,132	103,481	113,613

Comments:

- Legal Services Reduction** - Legal Services Revolving Account funds are reduced. The Office of the Attorney General (AGO) will work with client agencies to implement stricter policies and best practices regarding use of Attorney General services to achieve lower legal bills. (Legal Services Revolving Account-State)
- Law Office Software Upgrades** - Funding is provided for upgrades to software programs including Concordance Image Network, Summation Pro, and Sharepoint 2010. (Legal Services Revolving Account-State)
- Reduce Anti-Trust to Balance Fund** - Expenditures in the Anti-Trust Revolving Account are reduced to reflect lower than anticipated revenues in the 2013-15 biennium. (Anti-Trust Revolving Account-Non-appropriated)
- Increase Public Counsel Resources** - Funding is provided for additional Public Counsel Unit resources for expedited treatment of Utilities and Transportation Commission cases. (Public Service Revolving Account-State)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- Lease of Personal Computers** - Funding is provided to the AGO in the 2013-15 biennium to replace a portion of its computers and laptops that have expired warranties. (Legal Services Revolving Account-State)
- Grays Harbor Litigation** - Funds are provided for legal services relating to *Superior Court of Grays Harbor County v. Grays Harbor County and Grays Harbor County Board of Commissioners and the State of Washington* litigation. Direct litigation costs are funded to pay for a Special Assistant Attorney General to represent the Superior Court judges in this case. (General Fund-State)

Office of the Attorney General

9. **Extended Foster Care** - Billing authority and FTEs are provided for legal services to the Department of Social and Health Services Children's Administration for implementation of Chapter 332, Laws of 2013 (E2SSB 5405). (Legal Services Revolving Account-State)
10. **Crime Victim Advocates** - Funding for the Washington Coalition of Crime Victim Advocates to provide training, certification, and technical assistance for crime victim service center advocates is transferred to the AGO from the Department of Commerce. (General Fund-State)
11. **Transportation Improvement Projects** - Staff and billing authority is provided for legal services to the Department of Labor and Industries for implementation of Chapter 113, Laws of 2013 (SHB 1420). (Legal Services Revolving Account-State).
12. **Wrongly Convicted Claim** - Funding is provided to review claims for compensation for wrongful convictions under Chapter 175, Laws of 2013 (ESHB 1341). (General Fund-State)
13. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
14. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
15. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
16. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
17. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or

partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Caseload Forecast Council

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	2,457	0	2,457
2013-15 Maintenance Level	2,494	0	2,494
Policy Changes - Other			
1. CTS Central Services	2	0	2
2. DES Central Services	-1	0	-1
Policy -- Other Total	1	0	1
Policy Changes - Comp			
3. New Step M for Classified-Yr 2 Impl	1	0	1
4. State Employee Health Insurance	-3	0	-3
5. PEBB - Coverage Waiver Surcharge	-3	0	-3
Policy -- Comp Total	-5	0	-5
Total 2013-15 Biennium	2,490	0	2,490
Fiscal Year 2014 Total	1,260	0	1,260
Fiscal Year 2015 Total	1,230	0	1,230

Comments:

- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Department of Commerce

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	124,638	442,719	567,357
2013 Supplemental *	-14,000	-2,012	-16,012
Total 2011-13 Biennium	110,638	440,707	551,345
2013-15 Maintenance Level	144,379	389,174	533,553
Policy Changes - Other			
1. Eliminate Global Health Grant	-500	0	-500
2. Eliminate Microenterprise Grant	-328	0	-328
3. Eliminate Community Mobilization Gr	-1,786	0	-1,786
4. Eliminate Innovation Research Grant	-3,718	0	-3,718
5. Reduce State Energy Policy	-52	0	-52
6. Eliminate Economic Development Comm	-882	0	-882
7. Economic Development Working Group	75	0	75
8. Attorney General Legal Services	-3	-6	-9
9. CTS Central Services	37	79	116
10. DES Central Services	-12	-22	-34
11. Pacific Hospital	4,850	0	4,850
12. Sex Trade Victims	0	72	72
13. Business/Government Streamlining	98	0	98
14. Tourism Contract	1,000	0	1,000
15. Maritime Trade and Tourism	73	0	73
16. Washington Families Fund	0	2,000	2,000
17. Crime Victim Advocates	-706	0	-706
18. Strategic Growth	1,400	0	1,400
19. Unanticipated Receipt	0	1,240	1,240
20. HEN Underspensing	-20,000	0	-20,000
21. Eliminate IPZ Grants	-100	0	-100
22. Eliminate Impact WA Pass-Thru	-292	0	-292
23. Eliminate Admin for Grant Services	-983	0	-983
24. Water and Environmental Center	750	0	750
25. Reduce Northwest Ag Center	-200	0	-200
26. Covington Town Center	50	0	50
Policy -- Other Total	-21,229	3,363	-17,866
Policy Changes - Comp			
27. New Step M for Classified-Yr 1 Impl	150	210	360
28. New Step M for Classified-Yr 2 Impl	11	18	29
29. State Employee Health Insurance	-41	-52	-93
30. Wellness - Smoker Surcharge	-6	-8	-14
31. PEBB - Coverage Waiver Surcharge	-37	-47	-84
Policy -- Comp Total	77	121	198
Total 2013-15 Biennium	123,227	392,658	515,885
Fiscal Year 2014 Total	63,076	199,876	262,952
Fiscal Year 2015 Total	60,151	192,782	252,933

Comments:

- 1. Eliminate Global Health Grant** - General Fund-State funding passed through to the Washington Global Health Alliance is eliminated, but funding is provided through the Life Sciences Discovery Fund to continue this work. This funding supports Washington State's global health community as a nexus for research, education, training, commercialization, and delivery worldwide.
- 2. Eliminate Microenterprise Grant** - Pass-through funding for the Washington State Microenterprise Association is eliminated. The association serves as the intermediary to assist microenterprises (businesses with five or fewer employees) in job creation by increasing training, technical assistance, and financial resources to the microenterprise development community.

Department of Commerce

3. **Eliminate Community Mobilization Gr** - Funding for Community Mobilization grants, used by counties to help prevent and reduce substance abuse and violence, is eliminated.
4. **Eliminate Innovation Research Grant** - The Strategically Targeted Academic Research team program for researchers at the University of Washington, Washington State University, and an entrepreneur-in-residence located externally to a research university is eliminated.
5. **Reduce State Energy Policy** - Funding is reduced by 5 percent.
6. **Eliminate Economic Development Comm** - Funding for the Washington Economic Development Commission (EDC) is eliminated. EDC is an independent state commission responsible for evaluating the state's economic development systems and developing long-term comprehensive strategic planning.
7. **Economic Development Working Group** - One-time funding is provided in FY 2014 for the Department of Commerce (COM) to convene a work group, chaired by the current chair of the EDC and comprised of representatives of associate development organizations to recommend: (1) changes to the EDC's purpose and source and amount of funding; (2) objective benchmarks and outcome-based performance measures for evaluating state investments in economic development; (3) high priority regulatory reforms to foster a favorable business climate for long-term private sector job creation and competitiveness; and (4) organizational roles responsibilities and structures to strengthen cohesive planning, streamline execution, and improve outcomes. The work group shall be comprised of representatives from no less than eight associate development organizations representing both urban and rural counties and counties on both sides of the Cascade Mountain Range. COM must submit a report of the work group's recommendation to the fiscal and economic development policy committees of the legislature by December 15, 2013.
8. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
9. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
10. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
11. **Pacific Hospital** - Funding is provided for COM to establish and operate a community health care, education, and innovation center at the Pacific Hospital in Seattle. Funds must be used for lease, maintenance, operations, and other related expenses for Seattle community colleges allied health programs and other uses identified by COM.
12. **Sex Trade Victims** - Funding is provided for implementation of Chapter 121, Laws of 2013 (ESHB 1291). COM will coordinate a statewide committee on sex trafficking. The committee will meet twice in the 2013-15 biennium and will provide a report and statewide plan to end sex trafficking in Washington. The report is due to the Legislature and Governor in December 2014 and the committee expires on December 31, 2014. (Prostitution Prevention and Intervention Account-Nonappropriated)
13. **Business/Government Streamlining** - Funding is provided for implementation of Chapter 324, Laws of 2013 (HB 1818). COM is authorized, in collaboration with the Office of Regulatory Assistance and the Office of Accountability and Performance, to conduct one or more multi-jurisdictional regulatory streamlining projects each year through FY 2019. COM must establish and implement a competitive application process to select projects. COM must brief the economic development committees of the Legislature by January 15, 2014, on the initial pilot project and must submit a report on outcomes of the projects to the economic development committees of the Legislature by January 15 of each year thereafter.
14. **Tourism Contract** - Funding is provided to COM to contract with the Washington Tourism Alliance for services to expand and promote the tourism industry in Washington. Expenditure of state moneys is contingent upon the contractor providing a dollar-for-dollar cash or in-kind match.
15. **Maritime Trade and Tourism** - Funding is provided for COM to develop a strategy regarding the state's maritime sector by working with industry representatives to understand workforce needs, parity considerations with Oregon and British Columbia, tax structures, and regulatory barriers. COM will report its finding to the appropriate committees of the Legislature by December 1, 2014.
16. **Washington Families Fund** - Funding is provided for services to homeless families through the Washington Families Fund. (Housing Trust Account-State)
17. **Crime Victim Advocates** - General Fund-State funding for the Washington Coalition of Crime Victim Advocates to provide training, certification, and technical assistance for crime victim service center advocates is eliminated from the Department of Commerce. This funding is transferred to the Office of the Attorney General.
18. **Strategic Growth** - General Fund-State funding is provided to COM to identify and invest in strategic growth areas, support key sectors, and align exiting economic development programs and priorities. COM must consider Washington's position as the most trade dependant state when identifying investments. COM must receive a 100 percent match for every dollar expended. The match may be provided by COM through non general fund sources, or any partnering governments or organizations.

Department of Commerce

19. **Unanticipated Receipt** - Funding is increased for the following unanticipated receipts: Protecting Inmates and Safeguarding Communities; Washington Homeless and Poverty Policy Alignment; State Trade and Export Promotion Grant; 2012 State Energy Program Competitive Grants; and Energy Efficiency Resource Standard. (General Fund-State, General Fund-Private Local)
20. **HEN Underspending** - Funding for the Essential Needs and Housing (HEN) program is reduced due to an anticipated under expenditure in the 2013-15 biennium. The HEN program provides non-cash housing and other assistance to eligible individuals.
21. **Eliminate IPZ Grants** - Funding for the Innovation Partnership Zone competitive grants is eliminated.
22. **Eliminate Impact WA Pass-Thru** - Funding for grants to Impact Washington, a not-for-profit organization, are eliminated.
23. **Eliminate Admin for Grant Services** - Funding for grant services is reduced by 60 percent in FY 2014 and eliminated in FY 2015. COM is authorized to suspend issuing any non-statutorily required grants or contracts of less than \$1 million per year.
24. **Water and Environmental Center** - Funding is provided to Walla Walla Community College for the William Grant Water and Environmental Center (Center). This funding replaces existing funding provided by COM to the Center.
25. **Reduce Northwest Ag Center** - Funding for the Northwest Agricultural Business Center is reduced by \$200,000. The new funding level for this program is \$349,000 per biennium.
26. **Covington Town Center** - One-time funding is provided for an economic impact and infrastructure cost study for Covington Town Center.
27. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
28. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
29. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
30. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
31. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,437	50	1,487
2013-15 Maintenance Level	1,569	50	1,619
Policy Changes - Comp			
1. State Employee Health Insurance	-2	0	-2
2. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-3	0	-3
Total 2013-15 Biennium	1,566	50	1,616
Fiscal Year 2014 Total	764	25	789
Fiscal Year 2015 Total	802	25	827

Comments:

1. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
2. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of Financial Management

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	36,930	79,766	116,696
2013 Supplemental *	117	4,000	4,117
Total 2011-13 Biennium	37,047	83,766	120,813
2013-15 Maintenance Level	37,688	80,187	117,875
Policy Changes - Other			
1. Charter Schools (Initiative 1240)	916	0	916
2. Washington Aerospace Partnership	200	0	200
3. Director of Military Affairs	300	0	300
4. Attorney General Legal Services	-6	0	-6
5. CTS Central Services	96	0	96
6. DES Central Services	-64	0	-64
7. Transfer Geospatial Portal to DES	0	-212	-212
8. Greenhouse Gas Emissions SB 5802	350	0	350
9. OFM Eligibility Study	536	0	536
10. Audit & Financial Management	-4,000	4,000	0
Policy -- Other Total	-1,672	3,788	2,116
Policy Changes - Comp			
11. New Step M for Classified-Yr 1 Impl	26	54	80
12. State Employee Health Insurance	-42	-29	-71
13. Wellness - Smoker Surcharge	-6	-4	-10
14. PEBB - Coverage Waiver Surcharge	-38	-26	-64
Policy -- Comp Total	-60	-5	-65
Total 2013-15 Biennium	35,956	83,970	119,926
Fiscal Year 2014 Total	18,414	42,477	60,891
Fiscal Year 2015 Total	17,542	41,493	59,035

Comments:

- Charter Schools (Initiative 1240)** - Initiative 1240, approved by voters in the 2012 general election, authorized up to 40 publicly-funded charter schools in Washington over a period of five years. The initiative established a State Charter Schools Commission (Commission) to be housed within the Office of the Governor. It creates additional workload requirements for the State Board of Education, Office of the Superintendent of Public Instruction, Public Employment Relations Commission, and Department of Retirement Systems. Funding is provided for an executive director and part-time administrative assistant to provide staff support for the Commission.
- Washington Aerospace Partnership** - Funding is provided for the Governor's Office of Aerospace. Funds will be used to conduct analysis and to develop and implement strategies to retain and grow aerospace related jobs, including future commercial airplane assembly lines and components.
- Director of Military Affairs** - Funding is provided to create a Director of Military Affairs position to serve as the policy lead for military affairs for the Governor's Office and to coordinate with state agencies and local communities on military issues.
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Transfer Geospatial Portal to DES** - The existing Geospatial Portal that is managed and used by multiple agencies is transferred to the Department of Enterprise Services to be centrally managed and offered as a shared service. (Data Processing Revolving Account-Non-appropriated)
- Greenhouse Gas Emissions SB 5802** - Funding is provided to implement Chapter 6, Laws of 2013 (E2SSB 5802). The Office of Financial Management must contract with an independent consultant, selected by the Climate Legislative and Executive Work Group (Work Group) established in E2SSB 5802, for an

Office of Financial Management

evaluation of approaches to reducing greenhouse gas emissions. The consultant's evaluation is due to the Governor by October 15, 2013. The Work Group will recommend a state program of actions and policies to reduce greenhouse gas emissions. The Work Group must provide a report to the appropriate policy and fiscal committees of the Senate and House of Representatives by December 31, 2013.

FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

9. **OFM Eligibility Study** - Funding is provided for a study of the state's medical and public assistance eligibility systems and infrastructure with the goal of simplifying procedures, improving customer service, and reducing state expenditures. A report on findings and recommendations must be provided to the relevant policy and fiscal committees of the Legislature by January 1, 2014.
10. **Audit & Financial Management** - Funding for a portion of agency operations is shifted to the Performance Audits of Government Account from the General Fund-State. Funding will be utilized for audit functions and related financial management during the 2013-15 biennium. (General Fund-State, Performance Audits of Government Account-State)
11. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
12. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
13. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
14. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in

Office of Financial Management

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget Section of this document.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Office of Administrative Hearings

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	35,763	35,763
2013 Supplemental *	0	700	700
Total 2011-13 Biennium	0	36,463	36,463
2013-15 Maintenance Level	0	37,335	37,335
Policy Changes - Other			
1. IT Infrastructure	0	151	151
2. New Lease Adjustments	0	313	313
3. Attorney General Legal Services	0	-1	-1
4. CTS Central Services	0	93	93
5. DES Central Services	0	-10	-10
Policy -- Other Total	0	546	546
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	42	42
7. New Step M for Classified-Yr 2 Impl	0	5	5
8. State Employee Health Insurance	0	-52	-52
9. Wellness - Smoker Surcharge	0	-8	-8
10. PEBB - Coverage Waiver Surcharge	0	-46	-46
Policy -- Comp Total	0	-59	-59
Total 2013-15 Biennium	0	37,822	37,822
Fiscal Year 2014 Total	0	19,069	19,069
Fiscal Year 2015 Total	0	18,753	18,753

Comments:

- IT Infrastructure** - Funding is provided for information technology improvements, including cloud server hosting and enhanced data lines. (Administrative Hearings Revolving Account-State)
- New Lease Adjustments** - Funding is provided for the following lease-related costs: one-time moving costs in FY 2014 and future lease increases associated with a new Spokane office; reducing the size of the Vancouver office by 60 percent, resulting in ongoing lease savings; and increasing the size of the Seattle office by 2,000 square feet. (Administrative Hearings Revolving Account-State)
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014.

Office of Administrative Hearings

This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)

10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

State Lottery Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	801,712	801,712
2013-15 Maintenance Level	0	812,818	812,818
Policy Changes - Other			
1. Reduce Advertising Costs	0	-3,000	-3,000
2. Attorney General Legal Services	0	-2	-2
3. CTS Central Services	0	89	89
4. DES Central Services	0	-10	-10
5. Gaming Vendor Contract	0	596	596
Policy -- Other Total	0	-2,327	-2,327
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	106	106
7. New Step M for Classified-Yr 2 Impl	0	16	16
8. State Employee Health Insurance	0	-48	-48
9. Wellness - Smoker Surcharge	0	-7	-7
10. PEBB - Coverage Waiver Surcharge	0	-42	-42
Policy -- Comp Total	0	25	25
Total 2013-15 Biennium	0	810,516	810,516
Fiscal Year 2014 Total	0	401,868	401,868
Fiscal Year 2015 Total	0	408,648	408,648

Comments:

1. **Reduce Advertising Costs** - The State Lottery Commission (Lottery) will reduce advertising expenses in order to increase distributions to the Washington Opportunity Pathways Account. (State Lottery Account-Nonappropriated, Shared Game Lottery Account-Nonappropriated, Washington Opportunity Pathways Account-State)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
5. **Gaming Vendor Contract** - One-time funding is provided to obtain temporary project staff and other resources to facilitate the replacement of the Lottery's gaming systems vendor contract. The current contract expires June 30, 2016. (Lottery Administrative Account-State, Washington Opportunity Pathways Account-State)
6. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
7. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
8. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
9. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage

State Lottery Commission

where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	488	0	488
2013-15 Maintenance Level	474	0	474
Policy Changes - Comp			
1. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-1	0	-1
Total 2013-15 Biennium	473	0	473
Fiscal Year 2014 Total	238	0	238
Fiscal Year 2015 Total	235	0	235

Comments:

- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	469	0	469
2013-15 Maintenance Level	458	0	458
Policy Changes - Comp			
1. PEBB - Coverage Waiver Surcharge	-1	0	-1
Policy -- Comp Total	-1	0	-1
Total 2013-15 Biennium	457	0	457
Fiscal Year 2014 Total	233	0	233
Fiscal Year 2015 Total	224	0	224

Comments:

1. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Department of Retirement Systems

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	52,078	52,078
2013 Supplemental *	0	80	80
Total 2011-13 Biennium	0	52,158	52,158
2013-15 Maintenance Level	0	53,909	53,909
Policy Changes - Other			
1. Attorney General Legal Services	0	-1	-1
2. CTS Central Services	0	107	107
3. DES Central Services	0	-21	-21
4. Upgrade Employer Reporting System	0	3,074	3,074
Policy -- Other Total	0	3,159	3,159
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	0	388	388
6. New Step M for Classified-Yr 2 Impl	0	4	4
7. State Employee Health Insurance	0	-80	-80
8. Wellness - Smoker Surcharge	0	-12	-12
9. PEBB - Coverage Waiver Surcharge	0	-71	-71
Policy -- Comp Total	0	229	229
Total 2013-15 Biennium	0	57,297	57,297
Fiscal Year 2014 Total	0	29,013	29,013
Fiscal Year 2015 Total	0	28,284	28,284

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **Upgrade Employer Reporting System** - One-time funding is provided to upgrade the Department of Retirement Systems' Employer Information System (EIS). The EIS collects and processes more than one million transactions each month of data that is used to calculate and distribute benefits. (Department of Retirement Systems Expense Account-State, Deferred Compensation Administrative Account-Nonappropriated)
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
6. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
7. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1,

Department of Retirement Systems

2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Revenue

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	199,898	31,633	231,531
2013-15 Maintenance Level	209,831	27,087	236,918
Policy Changes - Other			
1. Attorney General Legal Services	-43	-6	-49
2. CTS Central Services	215	26	241
3. DES Central Services	-62	-5	-67
4. Agency Security Program	994	0	994
5. Communications Services Reform	926	0	926
6. I-1183 Implementation Costs	1,004	0	1,004
7. Legacy Migration	0	11,604	11,604
8. Revenue/Transparency Legislation	938	0	938
Policy -- Other Total	3,972	11,619	15,591
Policy Changes - Comp			
9. New Step M for Classified-Yr 1 Impl	1,014	108	1,122
10. New Step M for Classified-Yr 2 Impl	163	5	168
11. State Employee Health Insurance	-341	-38	-379
12. Wellness - Smoker Surcharge	-50	-6	-56
13. PEBB - Coverage Waiver Surcharge	-303	-34	-337
Policy -- Comp Total	483	35	518
Total 2013-15 Biennium	214,286	38,741	253,027
Fiscal Year 2014 Total	107,985	14,391	122,376
Fiscal Year 2015 Total	106,301	24,350	130,651

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
4. **Agency Security Program** - Funding is provided for an updated agency security program to safeguard systems and data from cyber threats and security risks.
5. **Communications Services Reform** - Funding is provided to implement Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971). The Department of Revenue (DOR) will update rules, forms and processes and assist taxpayers with changes to taxation of communication services.
6. **I-1183 Implementation Costs** - Funding is provided to establish auditing and administrative processes and documentation for liquor tax collections. With these additional resources, DOR will generate an additional \$4.8 million per year in state and local revenues through the enforcement of liquor taxes.
7. **Legacy Migration** - Funding is provided for the phased replacement of the core tax collection systems. In a six-year project, DOR will replace these systems to reduce operational risks and increase available features. Business licensing system replacement is funded by the Master License Account. (Data Processing Revolving Account-State, Master License Account-State)
8. **Revenue/Transparency Legislation** - Funding is provided to implement Chapter 13, Laws of 2013, 2nd sp. s (ESSB 5882), which provides several tax preferences and provides new transparency measures for tax preferences.
9. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
10. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those

Department of Revenue

who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)

11. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
12. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
13. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Board of Tax Appeals

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	2,339	0	2,339
2013-15 Maintenance Level	2,398	0	2,398
Policy Changes - Other			
1. DES Central Services	-1	0	-1
Policy -- Other Total	-1	0	-1
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	6	0	6
3. State Employee Health Insurance	-4	0	-4
4. Wellness - Smoker Surcharge	-1	0	-1
5. PEBB - Coverage Waiver Surcharge	-3	0	-3
Policy -- Comp Total	-2	0	-2
Total 2013-15 Biennium	2,395	0	2,395
Fiscal Year 2014 Total	1,217	0	1,217
Fiscal Year 2015 Total	1,178	0	1,178

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered

spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	3,654	3,654
2013 Supplemental *	0	100	100
Total 2011-13 Biennium	0	3,754	3,754
2013-15 Maintenance Level	0	3,890	3,890
Policy Changes - Other			
1. Small Business Certification	0	200	200
2. Attorney General Legal Services	0	-1	-1
3. CTS Central Services	0	4	4
4. DES Central Services	0	-5	-5
Policy -- Other Total	0	198	198
Policy Changes - Comp			
5. New Step M for Classified-Yr 2 Impl	0	1	1
6. State Employee Health Insurance	0	-6	-6
7. Wellness - Smoker Surcharge	0	-1	-1
8. PEBB - Coverage Waiver Surcharge	0	-5	-5
Policy -- Comp Total	0	-11	-11
Total 2013-15 Biennium	0	4,077	4,077
Fiscal Year 2014 Total	0	2,058	2,058
Fiscal Year 2015 Total	0	2,019	2,019

Comments:

1. **Small Business Certification** - Funding is provided to the Office of Minority and Women's Business Enterprises to implement a federal program collaboratively with the Department of Transportation (WSDOT) to certify small businesses as Small Business Enterprises. Funding for this work is provided through an interagency agreement with WSDOT. (Office of Minority and Women's Business Enterprises Account-State)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the

Office of Minority & Women's Business Enterprises

employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Office of the Insurance Commissioner

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	650	52,437	53,087
2013-15 Maintenance Level	1,300	53,816	55,116
Policy Changes - Other			
1. Public School Employees	-900	0	-900
2. Attorney General Legal Services	0	-6	-6
3. CTS Central Services	0	107	107
4. DES Central Services	0	-17	-17
5. Health Benefit Exchange	0	676	676
Policy -- Other Total	-900	760	-140
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	286	286
7. New Step M for Classified-Yr 2 Impl	0	19	19
8. State Employee Health Insurance	0	-77	-77
9. Wellness - Smoker Surcharge	0	-11	-11
10. PEBB - Coverage Waiver Surcharge	0	-67	-67
Policy -- Comp Total	0	150	150
Total 2013-15 Biennium	400	54,726	55,126
Fiscal Year 2014 Total	300	27,552	27,852
Fiscal Year 2015 Total	100	27,174	27,274

Comments:

1. **Public School Employees** - Ongoing funding is adjusted for the Public School Employee Health Benefit Audit program for the Office of the Insurance Commissioner (OIC) to adopt rules and carry out oversight and reporting responsibilities pursuant to Chapter 3, Laws of 2012 (ESSB 5940) on public school employees' insurance benefits. (General Fund-State).
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
5. **Health Benefit Exchange** - Staff and funding are provided to implement Chapter 6, Laws of 2013, 2nd sp. s. (ESHB1947) which provides various funding options for the operations of the Washington Health Benefit Exchange (Exchange). One option directs health insurance premium taxes collected on Exchange plans and plans provided to new clients under the Medicaid expansion into the Health Benefit Exchange Account (Account). OIC will be responsible for identifying these taxes and directing them into the Account. (Health Benefit Exchange Account-State)
6. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
7. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
8. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
9. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014.

Office of the Insurance Commissioner

This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)

10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

State Investment Board

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	29,075	29,075
2013-15 Maintenance Level	0	29,950	29,950
Policy Changes - Other			
1. Attorney General Legal Services	0	-6	-6
2. CTS Central Services	0	81	81
3. DES Central Services	0	-6	-6
4. Investment Officers and Staff	0	3,061	3,061
5. Investment Accounting	0	452	452
6. Audit Services	0	100	100
7. Office Space for Additional Staff	0	46	46
Policy -- Other Total	0	3,728	3,728
Policy Changes - Comp			
8. Investment Officer Compensation	0	2,352	2,352
9. New Step M for Classified-Yr 1 Impl	0	58	58
10. New Step M for Classified-Yr 2 Impl	0	2	2
11. State Employee Health Insurance	0	-27	-27
12. Wellness - Smoker Surcharge	0	-4	-4
13. PEBB - Coverage Waiver Surcharge	0	-24	-24
Policy -- Comp Total	0	2,357	2,357
Total 2013-15 Biennium	0	36,035	36,035
Fiscal Year 2014 Total	0	17,067	17,067
Fiscal Year 2015 Total	0	18,968	18,968

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **Investment Officers and Staff** - Funding is provided to hire additional investment officers to manage global funds and tangible assets and to move toward the model investment portfolio, including diversification by strategy, sector, and geography. Funding is also provided for additional technical positions to support these investment strategies. (State Investment Board Expense Account-State)
5. **Investment Accounting** - Funding is provided for the State Investment Board (SIB) to hire staff to perform investment accounting currently performed by the book of record provider and to provide a verification system independent of the custody bank. (State Investment Board Expense Account-State)
6. **Audit Services** - Funding is provided for SIB to contract with independent audit service providers to replace audit work no longer performed by the State Auditor's Office and to provide access to qualified audit teams to provide assurance to SIB board members regarding financial reporting, accountability, and compliance, as well as information technology. (State Investment Board Expense Account-State)
7. **Office Space for Additional Staff** - Funding is provided for increased office space for additional staff, including investment officers and investment accounting staff. (State Investment Board Expense Account-State)
8. **Investment Officer Compensation** - Funding is provided to bring investment officer compensation to within 10 percent of the 2010 peer average by FY 2015, in accordance with RCW 43.33A.100. (State Investment Board Expense Account-State)
9. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
10. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and

State Investment Board

were not yet eligible for the increase during FY 2014. (Other Funds)

11. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
12. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
13. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Washington State Liquor Control Board

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	192,113	192,113
2013-15 Maintenance Level	0	63,210	63,210
Policy Changes - Other			
1. Enforcement Officers	0	1,041	1,041
2. I-502 Implementation	0	2,494	2,494
3. Attorney General Legal Services	0	-14	-14
4. Administrative Hearings	0	1	1
5. CTS Central Services	0	111	111
6. DES Central Services	0	-66	-66
Policy -- Other Total	0	3,567	3,567
Policy Changes - Comp			
7. New Step M for Classified-Yr 1 Impl	0	374	374
8. New Step M for Classified-Yr 2 Impl	0	8	8
9. State Employee Health Insurance	0	-79	-79
10. Wellness - Smoker Surcharge	0	-12	-12
11. PEBB - Coverage Waiver Surcharge	0	-70	-70
Policy -- Comp Total	0	221	221
Total 2013-15 Biennium	0	66,998	66,998
Fiscal Year 2014 Total	0	35,538	35,538
Fiscal Year 2015 Total	0	31,460	31,460

Comments:

- Enforcement Officers** - Funding is provided for additional enforcement officers to address public safety concerns associated with the increase in on- and off-premises licensees, product theft and smuggling, and underage consumption. Officers will perform duties such as educating licensees and conducting investigations and undercover compliance checks. (Liquor Revolving Account-State)
- I-502 Implementation** - Funding is provided to implement Initiative 502 (relating to marijuana). The Liquor Control Board will conduct additional rulemaking, update information technology, and implement licensing activities related to marijuana production, distribution, and sales. Expenditure authority is increased in the Liquor Revolving Account to reflect these costs. (Liquor Revolving Account-State).
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)

Washington State Liquor Control Board

10. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
11. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Utilities and Transportation Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	48,567	48,567
2013-15 Maintenance Level	0	48,831	48,831
Policy Changes - Other			
1. Attorney General Legal Services	0	-1,901	-1,901
2. CTS Central Services	0	94	94
3. DES Central Services	0	-12	-12
4. Federal Stimulus Funds	0	150	150
5. Federal Funding Rate Decrease	0	-960	-960
6. Utility Damage Prevention Awareness	0	1,250	1,250
7. Communication Services Reform	0	5,071	5,071
Policy -- Other Total	0	3,692	3,692
Policy Changes - Comp			
8. New Step M for Classified-Yr 1 Impl	0	186	186
9. New Step M for Classified-Yr 2 Impl	0	16	16
10. State Employee Health Insurance	0	-53	-53
11. Wellness - Smoker Surcharge	0	-6	-6
12. PEBB - Coverage Waiver Surcharge	0	-46	-46
Policy -- Comp Total	0	97	97
Total 2013-15 Biennium	0	52,620	52,620
Fiscal Year 2014 Total	0	23,820	23,820
Fiscal Year 2015 Total	0	28,800	28,800

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **Federal Stimulus Funds** - Expenditure authority is extended for the 2010 American Recovery and Reinvestment Act (ARRA) grant used for electricity sector activities and the policy initiatives that significantly affect electric utility resource alternatives and infrastructure investment. The grant expires in December 2013. (General Fund-Federal)
5. **Federal Funding Rate Decrease** - Funding is reduced to reflect decreases in federal appropriations to state pipeline safety programs. (Pipeline Safety Account-Federal)
6. **Utility Damage Prevention Awareness** - Funding is provided for a program to increase public awareness of the "Call 811 before you dig" utility location service. (Pipeline Safety Account-State)
7. **Communication Services Reform** - Funding is provided to establish a state universal communications service program that will terminate on June 30, 2019, providing eligible communications providers may receive distributions from the Universal Communications Services Account pursuant to Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971). One-time rulemaking costs for FY 2014 are appropriated from the Public Services Revolving Account-State. (Public Services Revolving Account-State-Appropriated, Universal Communications Services Fund-State-Non-Appropriated).
8. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
9. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
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spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)

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12. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Utilities and Transportation Commission's budget is shown in the Transportation Budget Section of this document.

Military Department

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	13,988	324,960	338,948
2013 Supplemental *	66	39	105
Total 2011-13 Biennium	14,054	324,999	339,053
2013-15 Maintenance Level	14,850	246,719	261,569
Policy Changes - Other			
1. Emergency Management Division	-448	448	0
2. Attorney General Legal Services	-5	0	-5
3. CTS Central Services	125	0	125
4. DES Central Services	-29	0	-29
5. Disaster Response Account	0	3,769	3,769
6. Next Generation 911 Capability	0	8,000	8,000
7. GF-S/E911	-10,842	10,842	0
Policy -- Other Total	-11,199	23,059	11,860
Policy Changes - Comp			
8. New Step M for Classified-Yr 1 Impl	138	170	308
9. New Step M for Classified-Yr 2 Impl	17	20	37
10. State Employee Health Insurance	-39	-61	-100
11. Wellness - Smoker Surcharge	-6	-9	-15
12. PEBB - Coverage Waiver Surcharge	-35	-56	-91
Policy -- Comp Total	75	64	139
Total 2013-15 Biennium	3,726	269,842	273,568
Fiscal Year 2014 Total	1,880	135,351	137,231
Fiscal Year 2015 Total	1,846	134,491	136,337

Comments:

1. **Emergency Management Division** - Funding for staff in the Emergency Management Division is shifted from General Fund-State to General Fund-Federal. (General Fund-State, General Fund-Federal)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
5. **Disaster Response Account** - Funds are appropriated to complete projects necessary to recover from previously declared disasters. (Disaster Response Account-State)
6. **Next Generation 911 Capability** - Expenditure authority is provided from the Enhanced 911 Account to begin the upgrade of the current 911 telephone system to accommodate Next Generation 911 technology. During FY 2014 and 2015, financial assistance is provided to 22 counties for the replacement of 911 telephone equipment that is at the end of its life and will not be supported by the manufacturer beyond 2014. (General Fund-Federal, Enhanced 911 Account-State)
7. **GF-S/E911** - General Fund-State appropriations are reduced and appropriation authority is increased from the Enhanced 911 Account for the 2013-15 biennium. (General Fund-State, Enhanced 911 Account-State)
8. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
9. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
10. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per

Military Department

month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)

11. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
12. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Employment Relations Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	4,234	3,566	7,800
2013-15 Maintenance Level	4,211	3,589	7,800
Policy Changes - Other			
1. Higher Education Workload Adjust	-219	219	0
2. Attorney General Legal Services	-1	-1	-2
3. CTS Central Services	5	2	7
4. DES Central Services	-1	-1	-2
Policy -- Other Total	-216	219	3
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	30	22	52
6. State Employee Health Insurance	-6	-4	-10
7. Wellness - Smoker Surcharge	-1	-1	-2
8. PEBB - Coverage Waiver Surcharge	-5	-4	-9
Policy -- Comp Total	18	13	31
Total 2013-15 Biennium	4,013	3,821	7,834
Fiscal Year 2014 Total	1,977	1,911	3,888
Fiscal Year 2015 Total	2,036	1,910	3,946

Comments:

1. **Higher Education Workload Adjust** - Appropriations are adjusted to reflect the distribution of workload between higher education employers supported by appropriations from the Higher Education Personnel Services Account and those services supported by General Fund-State appropriations. (General Fund-State, Higher Education Personnel Services Account-State)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Public Employment Relations Commission

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Public Employment Relations Commission's budget is shown in the Transportation Budget Section of this document.

State Board of Accountancy

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	2,642	2,642
2013-15 Maintenance Level	0	2,702	2,702
Policy Changes - Other			
1. Attorney General Legal Services	0	-2	-2
2. CTS Central Services	0	2	2
3. DES Central Services	0	-1	-1
Policy -- Other Total	0	-1	-1
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	0	2	2
5. New Step M for Classified-Yr 2 Impl	0	2	2
6. State Employee Health Insurance	0	-3	-3
7. PEBB - Coverage Waiver Surcharge	0	-3	-3
Policy -- Comp Total	0	-2	-2
Total 2013-15 Biennium	0	2,699	2,699
Fiscal Year 2014 Total	0	1,324	1,324
Fiscal Year 2015 Total	0	1,375	1,375

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Forensic Investigations Council

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	490	490
2013-15 Maintenance Level	0	288	288
Policy Changes - Other			
1. Identifying Human Remains	0	210	210
Policy -- Other Total	0	210	210
Total 2013-15 Biennium	0	498	498
Fiscal Year 2014 Total	0	250	250
Fiscal Year 2015 Total	0	248	248

Comments:

1. **Identifying Human Remains** - Funding is provided to reimburse King County for time spent by its forensic anthropologist identifying human remains from other counties.

Washington Horse Racing Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	6,744	6,744
2013-15 Maintenance Level	0	5,708	5,708
Policy Changes - Other			
1. Attorney General Legal Services	0	-1	-1
2. DES Central Services	0	-1	-1
3. License and Background Check Fees	0	30	30
Policy -- Other Total	0	28	28
Policy Changes - Comp			
4. State Employee Health Insurance	0	-6	-6
5. Wellness - Smoker Surcharge	0	-1	-1
6. PEBB - Coverage Waiver Surcharge	0	-5	-5
Policy -- Comp Total	0	-12	-12
Total 2013-15 Biennium	0	5,724	5,724
Fiscal Year 2014 Total	0	2,868	2,868
Fiscal Year 2015 Total	0	2,856	2,856

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- License and Background Check Fees** - Funding is increased to reflect that, in each year of the 2013-15 biennium, the Horse Racing Commission will increase license fees by 5 percent and background check fees by one dollar to recover the actual costs of licensing and background investigations. (Horse Racing Commission Operating Account-State)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or

Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Department of Enterprise Services

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	6,710	472,966	479,676
2013 Supplemental *	0	-545	-545
Total 2011-13 Biennium	6,710	472,421	479,131
2013-15 Maintenance Level	7,284	454,144	461,428
Policy Changes - Other			
1. Time, Leave & Attendance System	0	3,013	3,013
2. Statewide Financial System (ERP)	0	2,400	2,400
3. Time, Leave & Attendance System	0	5,000	5,000
4. Adjust to Revenue	0	-3	-3
5. Attorney General Legal Services	0	-14	-14
6. CTS Central Services	3	246	249
7. DES Central Services	-1	-90	-91
8. Transfer Geospatial Portal to DES	0	212	212
9. Efficiencies & Savings to State Gov	0	-20,158	-20,158
10. Fund Consolidation	0	23	23
11. Flags	10	0	10
12. Visitor Center Rent	0	-12	-12
Policy -- Other Total	12	-9,383	-9,371
Policy Changes - Comp			
13. New Step M for Classified-Yr 2 Impl	0	3	3
14. State Employee Health Insurance	-7	-339	-346
15. Wellness - Smoker Surcharge	-1	-51	-52
16. PEBB - Coverage Waiver Surcharge	-6	-303	-309
Policy -- Comp Total	-14	-690	-704
Total 2013-15 Biennium	7,282	444,071	451,353
Fiscal Year 2014 Total	3,654	222,517	226,171
Fiscal Year 2015 Total	3,628	221,554	225,182

Comments:

- Time, Leave & Attendance System** - Funds are provided for the repayment of short-term financing used for the pilot implementation of a timekeeping, leave, and attendance system. (Data Processing Revolving Account-Non-Appropriated)
- Statewide Financial System (ERP)** - Fund balances related to closing out the Central Stores and Materials Management Center will be used to assess and prepare for the implementation of the Enterprise Resource Planning financial management system. The scope of work scheduled for the 2013-15 biennium is estimated at \$2.4 million. (Enterprise Services Account-Non-Appropriated)
- Time, Leave & Attendance System** - Fund balances in the Data Processing Account are provided to facilitate the completion of a pilot implementation of an enterprise solution for a timekeeping, leave, and attendance system. Pilot implementation is focusing on the Department of Transportation and the Department of Ecology. The scope of work scheduled for the 2013-15 biennium is estimated at \$15 million. (Data Processing Revolving Account-Non-Appropriated)
- Adjust to Revenue** - Spending authority is adjusted to match expected revenue. (Commemorative Works Account-Non-Appropriated)
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Transfer Geospatial Portal to DES** - The existing Geospatial Portal that is managed and used by multiple agencies is transferred to the Department of Enterprise Services (DES) to

Department of Enterprise Services

be centrally managed and offered as a shared service. (Data Processing Revolving Account-Non-Appropriated)

9. **Efficiencies & Savings to State Gov** - Funding is reduced in recognition of efficiencies gained by consolidating back-office functions such as internal human resources, accounting, purchasing, contracts, and facilities management, after the consolidation of five state agencies in the implementation of Chapter 43, Laws of 2011, 1st sp.s. (ESSB 5931). (Personnel Service Account-State, Data Processing Revolving Account-Non-Appropriated, Enterprise Services Account-State)
10. **Fund Consolidation** - Several large funds are consolidated into two funds to provide operational efficiencies and to simplify DES' financial systems after the merger of five state agencies in the implementation of Chapter 43, Laws of 2011, 1st sp.s. (ESSB 5931). (Personnel Service Account-State, Data Processing Revolving Account-Non-Appropriated, Public Printing Revolving Account-Non-Appropriated, Enterprise Services Account-State, Enterprise Services Account-Non-Appropriated)
11. **Flags** - Funding is provided to purchase flags representing nations with a consular presence in the state of Washington.
12. **Visitor Center Rent** - DES will lower the amount of rent charged for the Capitol Campus Visitor Center by 20 percent.
13. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
15. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
16. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an

actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

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* Please see the 2013 Supplemental Operating Budget Section for additional information.

Board for Volunteer Firefighters

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	1,039	1,039
2013-15 Maintenance Level	0	1,054	1,054
Policy Changes - Other			
1. Attorney General Legal Services	0	-1	-1
2. DES Central Services	0	-7	-7
Policy -- Other Total	0	-8	-8
Policy Changes - Comp			
3. State Employee Health Insurance	0	-1	-1
4. PEBB - Coverage Waiver Surcharge	0	-1	-1
Policy -- Comp Total	0	-2	-2
Total 2013-15 Biennium	0	1,044	1,044
Fiscal Year 2014 Total	0	525	525
Fiscal Year 2015 Total	0	519	519

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	4,605	4,605
2013-15 Maintenance Level	2,530	2,151	4,681
Policy Changes - Other			
1. Attorney General Legal Services	-2	0	-2
2. CTS Central Services	4	0	4
3. DES Central Services	-1	0	-1
Policy -- Other Total	1	0	1
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	10	16	26
5. New Step M for Classified-Yr 2 Impl	1	0	1
6. State Employee Health Insurance	-3	-2	-5
7. Wellness - Smoker Surcharge	-1	0	-1
8. PEBB - Coverage Waiver Surcharge	-3	-1	-4
Policy -- Comp Total	4	13	17
Total 2013-15 Biennium	2,535	2,164	4,699
Fiscal Year 2014 Total	1,293	1,083	2,376
Fiscal Year 2015 Total	1,242	1,081	2,323

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Archaeology & Historic Preservation's budget is shown in the Transportation Budget Section of this document.

Department of Financial Institutions

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	46,190	46,190
2013-15 Maintenance Level	0	47,151	47,151
Policy Changes - Other			
1. Attorney General Legal Services	0	-13	-13
2. CTS Central Services	0	99	99
3. DES Central Services	0	-13	-13
4. Enhance Cr. Union Compliance Exams	0	563	563
5. Money Transmitters	0	12	12
Policy -- Other Total	0	648	648
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	190	190
7. New Step M for Classified-Yr 2 Impl	0	20	20
8. State Employee Health Insurance	0	-62	-62
9. Wellness - Smoker Surcharge	0	-9	-9
10. PEBB - Coverage Waiver Surcharge	0	-55	-55
Policy -- Comp Total	0	84	84
Total 2013-15 Biennium	0	47,883	47,883
Fiscal Year 2014 Total	0	23,683	23,683
Fiscal Year 2015 Total	0	24,200	24,200

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **Enhance Cr. Union Compliance Exams** - Funding is provided to conduct additional compliance exams at Washington State chartered credit unions. (Financial Services Regulation Account-Nonappropriated)
5. **Money Transmitters** - Funding is provided for implementation of Chapter 106, Laws of 2013 (SHB 1327) requiring each officer, director, and owner applicant to submit fingerprints for a criminal background check during the application process for Money Transmitter licenses, including license renewals. (Financial Services Regulation Account-Non-appropriated).
6. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
7. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
8. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
9. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage

Department of Financial Institutions

where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Washington State Gambling Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	31,975	31,975
2013-15 Maintenance Level	0	29,946	29,946
Policy Changes - Other			
1. Attorney General Legal Services	0	-5	-5
2. CTS Central Services	0	91	91
3. DES Central Services	0	-10	-10
Policy -- Other Total	0	76	76
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	0	56	56
5. New Step M for Classified-Yr 2 Impl	0	7	7
6. State Employee Health Insurance	0	-50	-50
7. Wellness - Smoker Surcharge	0	-7	-7
8. PEBB - Coverage Waiver Surcharge	0	-44	-44
Policy -- Comp Total	0	-38	-38
Total 2013-15 Biennium	0	29,984	29,984
Fiscal Year 2014 Total	0	15,137	15,137
Fiscal Year 2015 Total	0	14,847	14,847

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Innovate Washington

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	5,634	3,814	9,448
2013 Supplemental *	0	-937	-937
Total 2011-13 Biennium	5,634	2,877	8,511
2013-15 Maintenance Level	5,610	3,377	8,987
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. GF-S Reduction	-5,609	0	-5,609
Policy -- Other Total	-5,610	0	-5,610
Total 2013-15 Biennium	0	3,377	3,377
Fiscal Year 2014 Total	0	1,689	1,689
Fiscal Year 2015 Total	0	1,688	1,688

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **GF-S Reduction** - General Fund-State funding for Innovate Washington is eliminated.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Consolidated Technology Services

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	208,054	208,054
2013-15 Maintenance Level	0	185,378	185,378
Policy Changes - Other			
1. Attorney General Legal Services	0	-2	-2
2. CTS Central Services	0	116	116
3. DES Central Services	0	-111	-111
4. Enterprise Network Security	0	10,478	10,478
5. State Data Center Operations	0	34,404	34,404
Policy -- Other Total	0	44,885	44,885
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	0	116	116
7. State Employee Health Insurance	0	-90	-90
8. Wellness - Smoker Surcharge	0	-13	-13
9. PEBB - Coverage Waiver Surcharge	0	-79	-79
Policy -- Comp Total	0	-66	-66
Total 2013-15 Biennium	0	230,197	230,197
Fiscal Year 2014 Total	0	123,477	123,477
Fiscal Year 2015 Total	0	106,720	106,720

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **Enterprise Network Security** - Funding is provided to enhance enterprise security services for Washington State's information technology (IT) systems. (Data Processing Revolving Account-Non-Appropriated)
5. **State Data Center Operations** - Funding is provided for core data network and security services for the State Data Center (SDC). Most of the existing Consolidated Technology Services (CTS) IT services will be migrated from the Office Building Two data center to the SDC. Expenditure authority is provided for one-time costs to build out the SDC's core infrastructure and for associated project management costs. Funding also is provided for ongoing maintenance and operation costs of the SDC. (Data Processing Revolving Account-Non-Appropriated)
6. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
7. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

LEOFF 2 Retirement Board

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	2,044	2,044
2013-15 Maintenance Level	0	2,075	2,075
Policy Changes - Other			
1. Ombudsman Service Program	0	178	178
Policy -- Other Total	0	178	178
Policy Changes - Comp			
2. State Employee Health Insurance	0	-2	-2
3. PEBB - Coverage Waiver Surcharge	0	-2	-2
Policy -- Comp Total	0	-4	-4
Total 2013-15 Biennium	0	2,249	2,249
Fiscal Year 2014 Total	0	1,132	1,132
Fiscal Year 2015 Total	0	1,117	1,117

Comments:

- 1. Ombudsman Service Program** - Funding is provided for an Ombudsman Services Program to provide information, advice, and assistance to members and survivors in identifying and obtaining the federal, state, local, private, and other benefits and services for which they qualify. (Law Enforcement Officers' and Firefighters' Retirement System Plan 2 Expense Account-State)
- 2. State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
- 3. PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Human Services

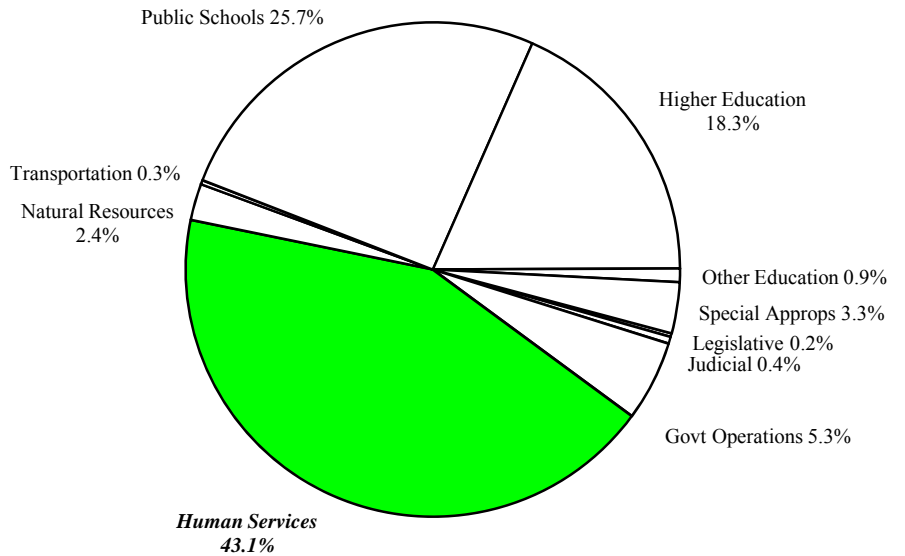
The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division to most efficiently describe the costs of particular services provided by DSHS. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Department of Health, and other human services related agencies.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

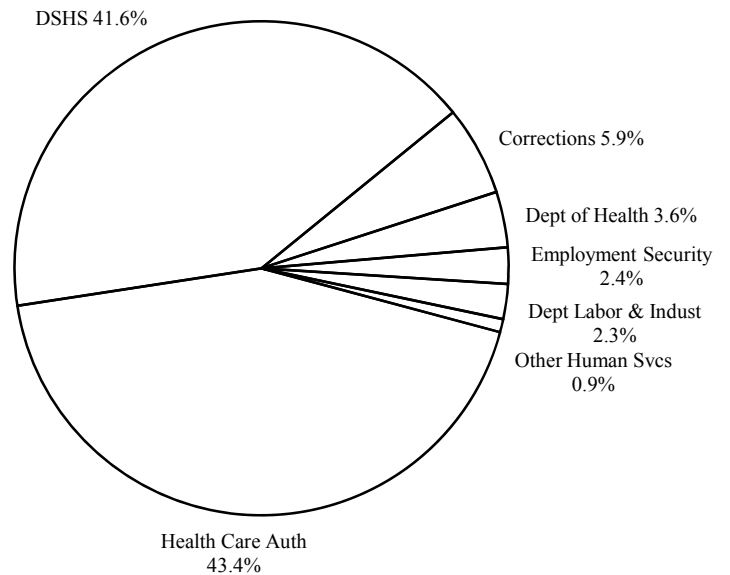
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

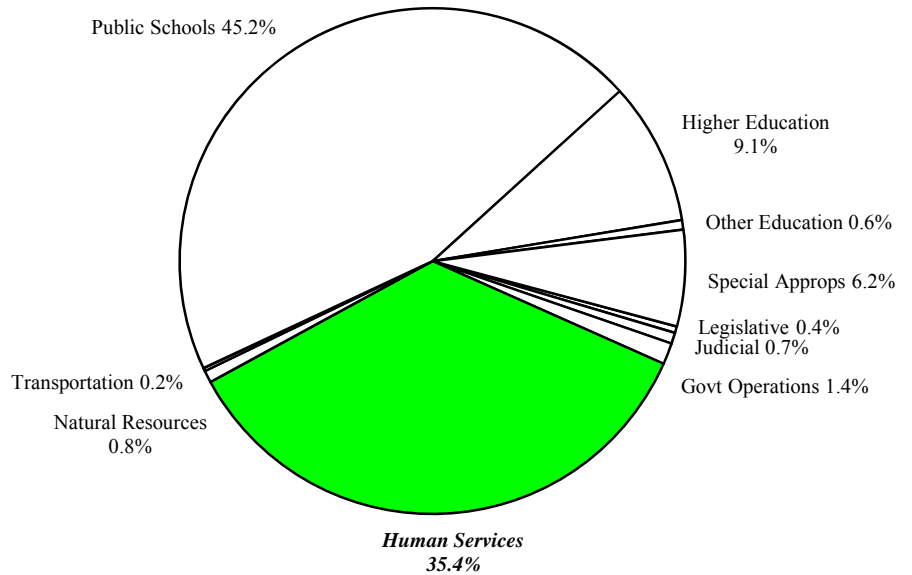
Health Care Authority	12,448,344
DSHS	11,919,981
Dept of Corrections	1,686,929
Dept of Health	1,043,149
Employment Security	682,904
Dept of Labor & Indust	656,795
Other Human Svcs	246,465
Human Services	28,684,567



Human Services

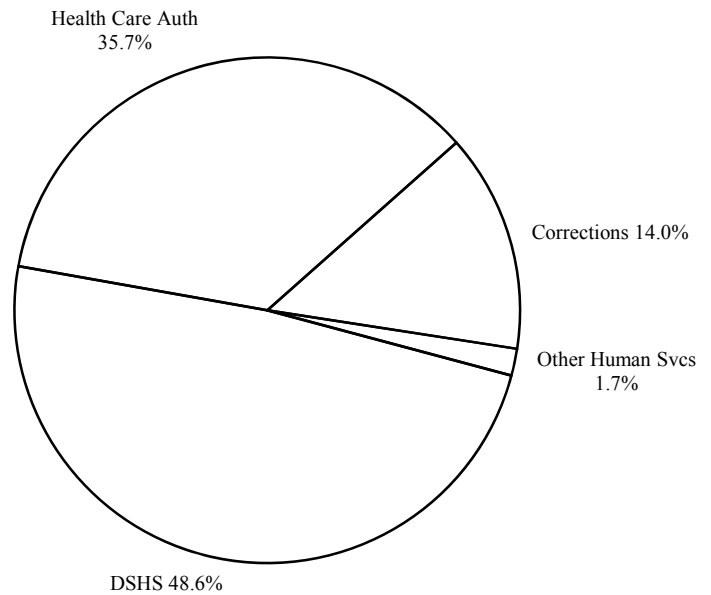
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
<i>Human Services</i>	<i>11,904,528</i>
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

DSHS	5,787,914
Health Care Authority	4,245,757
Dept of Corrections	1,665,144
Other Human Svcs	205,713
<i>Human Services</i>	<i>11,904,528</i>



Human Services

Department of Social & Health Services

Children and Family Services

A total of \$1.1 billion (\$594.3 million General Fund-State) is provided for services to children and families. This represents a 3.6 percent increase in appropriated funds from levels provided in the 2011-13 biennium. The Department of Social and Health Services (DSHS) Children's Administration operates Child Protective Services (CPS), which responds to reports of child abuse or neglect. DSHS also operates the foster care system for children who are in out-of-home placements with caregivers and the adoption support program for children who have been adopted from the foster care system. Additionally, DSHS contracts for prevention, early intervention services, and services for children and families involved in the child welfare system.

A total of \$16.6 million in total funds (\$1.8 million General Fund-State) is provided for implementation of Family Assessment Response (FAR). FAR is an alternative to an investigative response that aims to safely avoid out-of-home placement by providing basic needs and engaging families in services. A total of \$3.6 million (\$2.8 million General Fund-State) is provided for additional CPS investigative staff.

Chapter 332, Laws of 2013 (E2SSB 5405) expanded extended foster care services to eligible youth who have an open dependency case at age 18 and are participating in an activity designed to promote employment. A total of \$6.4 million (\$4.5 million General Fund-State) is provided to serve these youth.

Juvenile Rehabilitation Administration

A total of \$189 million (\$180 million General Fund-State) is provided for the Juvenile Rehabilitation Administration (JRA) for treatment and intervention services for juvenile offenders. The JRA system is budgeted to provide incarceration for a monthly average of 552 juvenile felons in residential facilities and supervision to a monthly average of 371 youth on parole. Funding is also provided for grants to county juvenile courts and communities for alternative dispositions, evidence-based treatment, and other prevention and intervention services. The JRA funded level represents an increase of 5.2 percent from the 2011-13 biennium.

The budget provides an increase of \$1 million (\$620,000 General Fund-State) to enhance safety and mental health services for youth residing in JRA institutions.

Mental Health

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through DSHS. These services include operation of two adult state hospitals that deliver psychiatric treatment to clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with 11 Regional Support Networks (RSNs) as local administrative entities to coordinate crisis response, community support, and residential and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each RSN are provided through a capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of \$1.7 billion (\$916.6 million in General Fund-State) is provided for operation of the public mental health system. This reflects an increase in total funds of \$72.7 million (4.4 percent) from the estimated amount needed to maintain the current level of mental health services and activities.

- A net increase of \$23.9 million in total funding is provided for the implementation of the Medicaid expansion under the Affordable Care Act (ACA). The expansion allows some low income individuals that are currently ineligible for Medicaid to enroll in Medicaid effective January 2014. During the 2013-15 biennium, the

federal government will pay 100 percent of the cost for Medicaid-covered treatment services for this population. The increase in federal funding for mental health is estimated at \$74.6 million. Some of the individuals who were previously served with state funds will qualify for the federally funded program resulting in a savings of \$50.7 million in General Fund-State.

- An increase of \$31.3 million in total funds (\$19.9 million in General Fund-State) is provided for implementation of legislation enacted during the 2013 session to improve mental health services and accountability and strengthen the involuntary commitment system. This includes the following: Chapter 284, Laws of 2013 (ESSB 5551), which requires additional resources to meet timely completion of competency evaluations for in-custody defendants; Chapter 289, Laws of 2013 (E2SHB 1114), which modifies procedures and standards for involuntary treatment of persons who have been deemed incompetent to stand trial for violent felonies; Chapter 320, Laws of 2013 (ESHB 1519), which requires the use of evidence-based practices and the creation of performance measures for service coordination organizations; Chapter 335, Laws of 2013 (ESSB 5480), which requires additional resources to meet the commitment needs for expanded involuntary commitment and detention criteria; Chapter 338, Laws of 2013 (2SSB 5732), which requires implementation of a strategy for the improvement of the adult behavioral health system and enhanced services facilities to provide appropriate community placements for individuals who reside in state hospitals but no longer require active treatment; and Chapter 197, Laws of 2013 (ESHB 1336), which requires mental health first aide training provided to teachers and educational staff in an effort to recognize and address when youth are suffering from mental illness.
- An increase of \$13.9 million in total funds (\$11.6 million in General Fund-State) is provided for the state hospitals to enhance security and develop and implement a new electronic medical records system that will allow for electronic sharing of patient information with doctors' offices, hospitals, and other health systems. These enhancements are required in order to meet federal requirements that allow federal funding to be used in the state facilities. DSHS is to achieve savings of \$1.2 million in General Fund-State during the 2013-15 biennium by reducing the number of state hospital bed days associated with patients whose conditions have improved to the point where they no longer meet criteria for use of federal funds in an inpatient setting.

Aging and Disabilities Services Administration (Developmental Disabilities and Long-Term Care)

Within DSHS, the Aging and Long Term Services Administration administers the Long Term Care (LTC) program and the Developmental Disabilities Administration administers the Developmental Disabilities (DD) program. These programs provide long-term supports and services to vulnerable adults and children in residential, community, and in-home settings. While these programs serve two distinct populations, they are both institutionally-based Medicaid "entitlement" programs with options for home and community services that share some vendors including represented homecare workers and adult family homes. The entitlement program in LTC is the nursing home or skilled nursing facility program. The entitlement program in DD is the state-operated Residential Habilitation Centers. Total funding for these two programs combined accounts for 50 percent of the DSHS budget, and is approximately \$5.9 billion total (\$2.9 billion General Fund-State) in budgeted expenditures for the 2013-15 biennium. This represents a 10.8 percent increase from the 2011-13 funded level, predominately due to the arbitration award for homecare workers.

The 2013-15 operating budget includes the following items (which impact both programs):

- A total of \$292 million (\$146 million General Fund-State) is provided to fully fund the 2013-15 arbitration award for individual providers. This includes wage and health care increases in both years of the biennium, a paid holiday, an increase in the number of miles for which providers may be reimbursed, initial certification and testing fee subsidies, and pay differentials for workers who obtain certification and who complete advanced training. This includes funds to meet statutory parity requirements for homecare agencies.

- A total of \$26 million (\$6 million General Fund-State) is provided to upgrade the timekeeping and payroll system for individual in-home providers as needed to comply with Medicaid reporting rules for W-2 providers and to meet requirements of collective bargaining.
- A total of \$13 million (\$7 million General Fund-State) is provided for anticipated increased exception-to-rule (ETR) requests related to *M.R. v Dreyfus*, 697 F.3d (2012). Upon a client request, DSHS may provide an ETR and increase the number of service hours allocated to that individual if it is found to be in the interest of both the overall economy and the client's welfare.

The following items from the 2013-15 operating budget are unique to each program and are therefore described separately:

Developmental Disabilities

- A total of \$21 million (\$12 million General Fund-State) is provided for additional community capacity for people with developmental disabilities. Medicaid waiver slots are funded for about 300 students transitioning from high school, 700 individuals primarily in need of employment services, and 50 clients in need of out-of-home placement. Funding is also provided for clients in need of community crisis stabilization.
- \$1.5 million General Fund-State is provided to increase the number of clients served by the Individual and Family Services (IFS) Program, including respite services. Programmatic changes, as well additional funding, will allow approximately 1,500 clients who are not currently receiving paid services from the Developmental Disabilities Administration to enter the IFS Program during the 2013-15 biennium.

Long Term Care

- A total of \$3 million (\$1.5 million General Fund-State) is provided pursuant to Chapter 338, Laws of 2013 (2SSB 5732) to implement enhanced services facilities in the community for individuals residing in state hospitals with mental illness who no longer require active treatment.
- A total of \$63 million (\$32 million General Fund-State) in savings is achieved from a delay of the planned rebase of non-capital nursing home rate components; the rebase is delayed for the entire biennium. Two rate component add-ons, the comparative add-on and the acuity add-on, which were established in 2011 are extended. Case mix adjustments continue to occur.

Economic Services Administration

The Economic Services Administration (ESA) operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the State Food Assistance Program, the Aged, Blind, or Disabled Assistance Program, the WorkFirst/Temporary Assistance for Needy Families Program (TANF) Program, and assistance to refugees. ESA also determines eligibility for a variety of state assistance programs.

A total of \$2 billion (\$808 million General Fund-State) is provided to ESA for administration of programs and delivery of services. This reflects a reduction in total funds of \$68.4 million (3.2 percent) from the estimated amount needed to maintain the current level of services and activities.

State general fund savings of \$209 million are achieved through forecasted caseload reductions in the WorkFirst/TANF Assistance Program and the Working Connections Child Care (WCCC) Program and the receipt of federal contingency funds used to offset state expenditures. This includes savings assumed in the 2013 supplemental operating budget as well as the 2013-15 operating budget. Other major policy changes for these programs include a rate increase for WCCC providers (\$14.8 million General Fund-State); further reductions in the TANF caseload assumed from redesign of the program (-\$3.6 million General Fund-State); and a reduction in funding for employment and education services provided to TANF clients (-\$2.0 million General Fund-State).

Major policy changes in other programs include:

- The monthly benefit for the state food assistance program, which provides assistance to legal immigrants, is increased to 75 percent of the federal supplemental nutrition assistance program benefit level (\$9.4 million General Fund-State.)
- In accordance with Chapter 10, Laws of 2013, 2nd sp.s. (SHB 2069), the disability standard applied by DSHS in making disability determinations for the Aged, Blind, and Disabled program is broadened (\$2 million General Fund-State).
- Funding and 4.5 FTEs are provided to begin modifying the Automated Client Eligibility System in accordance with changes to the eligibility system associated with implementation of the ACA Medicaid expansion (\$2.7 million General Fund-State). This includes funding provided in the 2013 supplemental budget.

Alcohol and Substance Abuse

The Alcohol and Substance Abuse Program coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DSHS contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Regional administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DSHS also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

A total of \$444 million (\$135.7 million General Fund-State) is provided for alcohol and substance abuse services. This reflects an increase in total funds of \$72.1 million (19.4 percent) from the estimated amount needed to maintain the current level of alcohol and substance abuse activities.

A net increase of \$59.3 million in total funding is provided for the implementation of the Medicaid expansion under the ACA. The expansion allows for some low income individuals that are currently ineligible for Medicaid to enroll in Medicaid effective January 2014. During the 2013-15 biennium, the federal government will pay 100 percent of the cost for Medicaid covered treatment services for this population. The increase in federal funding for alcohol and substance abuse treatment is estimated at \$76.5 million. As some of the individuals who are expected to be covered under the expansion were previously served with state funds, there is expected to be savings of \$17.2 million in state funds related to the ACA Medicaid expansion.

DSHS is directed to increase federal support of residential programs by shifting 128 beds in settings that are designated as Institutions for Mental Diseases to 16-bed facilities, which may bill Medicaid for reimbursable services. One-time transitional funding of \$2.6 million is provided in fiscal year 2014 to assist with the transition. Annual savings in state funds of approximately \$2.9 million are assumed beginning in fiscal year 2015.

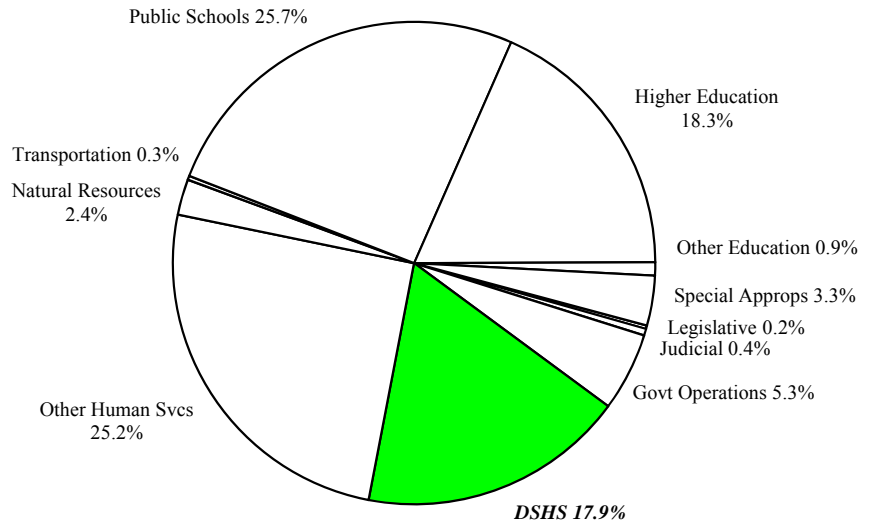
DSHS is authorized to increase federal expenditures on pregnant and parenting women programs by up to \$5.5 million by phasing in program modifications needed to maximize access to federal Medicaid matching funds. An increase of \$2.7 million total funds (\$1.2 million state) is provided for increasing treatment services to low income individuals with convictions for driving under the influence in accordance with Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912).

2013-15 Washington State Omnibus Operating Budget

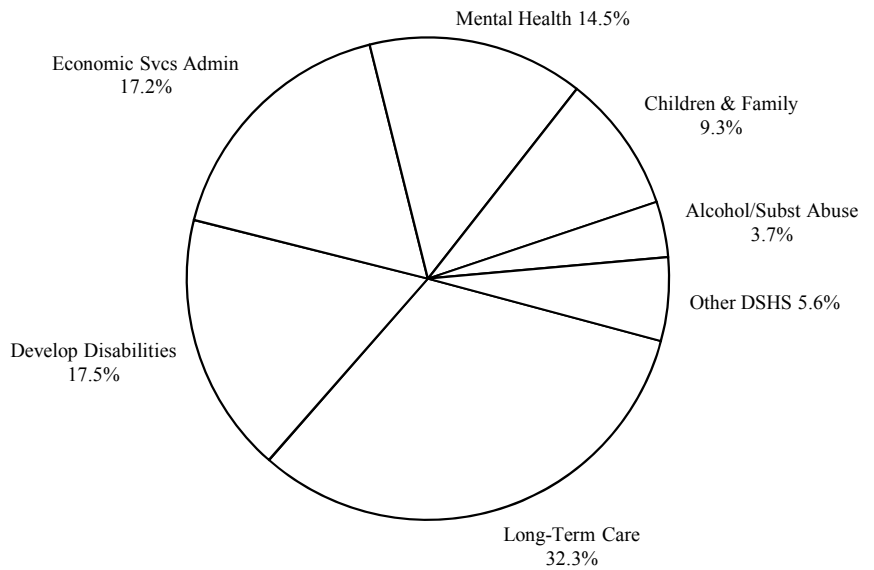
Total Budgeted Funds

(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
DSHS	11,919,981
Other Human Services	16,764,586
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Long-Term Care	3,848,450
Developmental Disabilities	2,082,080
Economic Services Admin	2,049,891
Mental Health	1,724,299
Children & Family Svcs	1,104,082
Alcohol/Subst Abuse	444,040
Other DSHS	667,139
DSHS	11,919,981

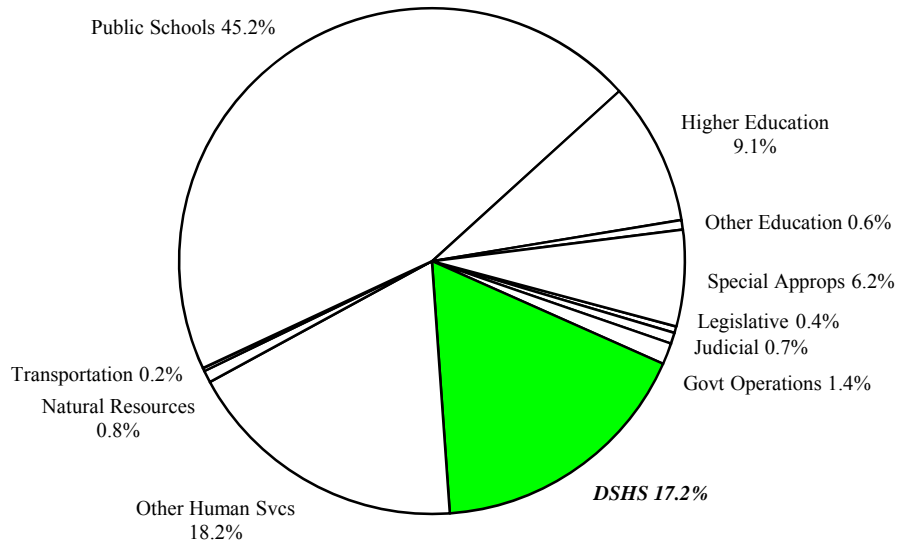


DSHS

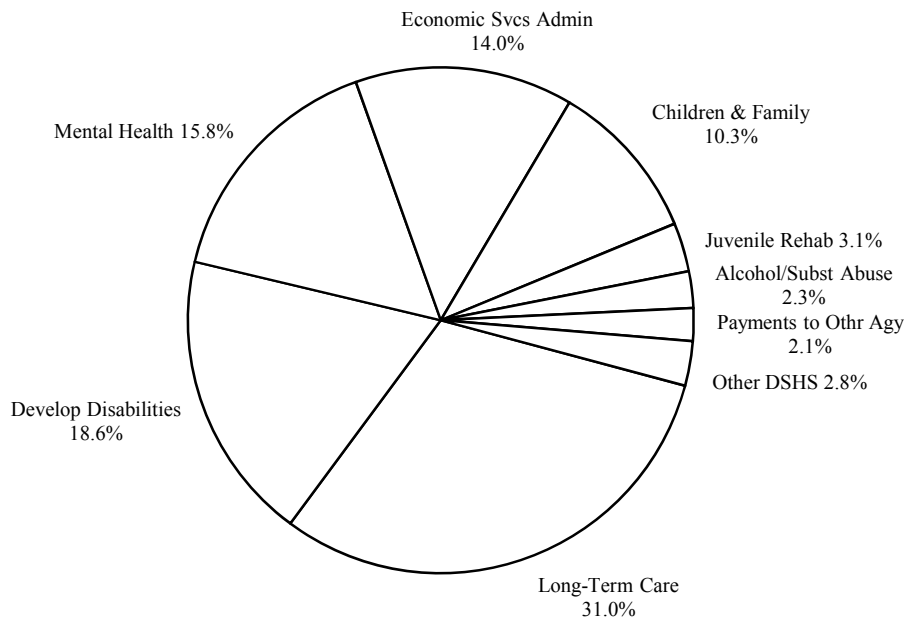
2013-15 Washington State Omnibus Operating Budget

NGF-S + Opportunity Pathways

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Other Human Services	6,116,614
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Long-Term Care	1,792,846
Developmental Disabilities	1,075,071
Mental Health	916,582
Economic Services Admin	807,523
Children & Family Svcs	594,317
Juvenile Rehabilitation	180,222
Alcohol/Subst Abuse	135,742
Pmts to Other Agencies	120,981
Other DSHS	164,630
DSHS	5,787,914



DSHS

Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	572,757	492,650	1,065,407
2013 Supplemental *	-7,619	-1,727	-9,346
Total 2011-13 Biennium	565,138	490,923	1,056,061
2013-15 Maintenance Level	582,838	489,690	1,072,528
Policy Changes - Other			
1. Replace Staff Personal Computers	326	108	434
2. Access Data/Documents in FamLink	310	100	410
3. Implement Family Assmnt Rspnse Svcs	1,783	14,765	16,548
4. Educational Outcomes	93	31	124
5. Child Welfare System Performance	90	28	118
6. Child Protective Services Workload	2,788	833	3,621
7. Improving Graduation Rates	892	0	892
8. Earn Adoption Incentive Grant	-1,633	1,633	0
9. Discontinued Contract	-412	0	-412
10. Hub Home Model	250	0	250
11. Improving Child Care Quality	1,188	162	1,350
12. Performance-Based Contracting	200	0	200
13. FAR Caseload Savings	-1,024	-341	-1,365
14. Extended Foster Care	4,486	1,894	6,380
15. Powell Fatality Team	100	256	356
Policy -- Other Total	9,437	19,469	28,906
Policy Changes - Comp			
16. New Step M for Classified-Yr 1 Impl	3,122	922	4,044
17. New Step M for Classified-Yr 2 Impl	155	46	201
18. State Employee Health Insurance	-606	-178	-784
19. Wellness - Smoker Surcharge	-90	-26	-116
20. PEBB - Coverage Waiver Surcharge	-539	-158	-697
Policy -- Comp Total	2,042	606	2,648
Total 2013-15 Biennium	594,317	509,765	1,104,082
Fiscal Year 2014 Total	296,676	253,358	550,034
Fiscal Year 2015 Total	297,641	256,407	554,048

Comments:

1. **Replace Staff Personal Computers** - Funding is provided for the Children's Administration (CA) to replace staff personal computers that are more than four years old. Financing is provided through a Department of Enterprise Services operational lease with repayment spanning over four years beginning in FY 2015. (General Fund-State, General Fund-Federal)
2. **Access Data/Documents in FamLink** - Funding is provided for CA to purchase a software application that will enable staff to access Famlink data through ad hoc reports. Funding is also provided to implement an interface between FamLink and the Management Document Imaging System (MODIS) that will create a single point of access for child welfare documents. (General Fund-State, General Fund-Federal)
3. **Implement Family Assmnt Rspnse Svcs** - Funding is provided for goods and services, staff, and staff training for Family Assessment Response (FAR) implementation and operations. FAR is an alternative to Child Protective Services (CPS) investigation for families screened in for low to moderate risk of child maltreatment, and aims to safely avoid out-of-home foster care placements by engaging and providing basic needs to families. FAR is the demonstration project for Washington's Title IV-E waiver. (General Fund-Federal, Child and Family Reinvestment Account-State)
4. **Educational Outcomes** - Funding is provided for Chapter 182, Laws of 2013 (2SHB 1566), which requires that certain youth in foster care receive an educational liaison and outlines the responsibilities of state agencies and school districts regarding the education of foster youth. The CA will modify Famlink to track educational liaisons for foster youth in grades six through

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- 12, and will conduct background checks of educational liaisons. (General Fund-State, General Fund-Federal)
5. **Child Welfare System Performance** - Funding is provided for CA to implement the provisions of Chapter 205, Laws of 2013 (ESHB 1774). CA will set up and maintain a data-sharing agreement with Partners for our Children, an entity within the University of Washington School of Social Work, for the purpose of measuring the performance of the child welfare system. (General Fund-State, General Fund-Federal)
6. **Child Protective Services Workload** - CPS case workers and support staff are provided for CA field offices in which the average monthly CPS caseload per worker exceeds 18:1. The purpose of the additional staff is to reduce the response and investigation times of potential child abuse or neglect cases. (General Fund-State, General Fund-Federal)
7. **Improving Graduation Rates** - Funding is provided for CA to contract with a nonprofit entity that will establish a demonstration site in one or more school districts in western Washington. The goal of the demonstration site is to improve the graduation rates of dependent youth by 2 percent per year over five school year periods beginning in 2014-15.
8. **Earn Adoption Incentive Grant** - CA has earned a federal Adoption Incentive Grant for completed adoptions. Grant funds will be used as a one-time replacement for state general funds. (General Fund-State, General Fund-Federal)
9. **Discontinued Contract** - Funding is reduced to reflect the discontinuation of a training contract.
10. **Hub Home Model** - Funding is provided for a community-based organization to provide training and technical assistance to CA in developing five Hub Home models in Department of Social and Health Services (DSHS) Region 2. The Hub Home model of foster care delivery is designed to improve child outcomes, support foster children and families, and ensure that children are placed in the least restrictive placement feasible.
11. **Improving Child Care Quality** - Funding is provided to improve the quality of subsidized child care. DSHS must provide a 2.0 percent base rate increase to all subsidized child care providers. In addition, DSHS must provide an additional 2.0 percent increase to all providers who achieve level 2 or above in the Early Achievers quality rating and improvement system. These rate increases take effect September 1, 2013. (General Fund-State, General Fund-Federal)
12. **Performance-Based Contracting** - Funding is provided for CA to plan the implementation of performance-based contracts for family support and related services.
13. **FAR Caseload Savings** - A 30 percent decline in foster care placements is anticipated in the final six months of FY 2015 due to FAR implementation. FAR is expected to reduce the forecasted foster care caseload by safely avoiding the need for out-of-home placements. The resulting General Fund-State caseload savings are transferred to the Child & Family Reinvestment Account and are used to serve additional FAR families. (General Fund-State, General Fund-Federal)
14. **Extended Foster Care** - Staff and funding are provided for Chapter 332, Laws of 2013 (E2SSB 5405). Extended foster care services are expanded to eligible youth who have an open dependency case at age 18 and are participating in a program or activity designed to promote employment or reduce barriers to employment. (General Fund-State, General Fund-Federal)
15. **Powell Fatality Team** - Funding is provided for Chapter 254, Laws of 2013 (SSB 5315), which implements recommendations made in the Child Fatality Review of the Powell case. Funding will be used for initial and ongoing domestic violence training for CA social workers. (General Fund-State, General Fund-Federal)
16. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
17. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
18. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
19. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
20. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction

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in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

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WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Foster Care ⁽¹⁾										
Avg # Children Served Mont	7,769	7,909	7,829	7,347	6,754	6,424	5,992	5,939	5,945	5,943
% Change from prior year	0.0%	1.8%	-1.0%	-6.2%	-8.1%	-4.9%	-6.7%	-0.9%	0.1%	0.0%
Relative Placements ⁽²⁾										
Avg # Children Served Mont	3,600	3,773	3,998	4,072	3,520	3,470	3,438	3,606	3,927	3,958
% Change from prior year	11.8%	4.8%	6.0%	1.9%	-13.6%	-1.4%	-0.9%	4.9%	8.9%	0.8%
Child Care ⁽³⁾										
Avg # Children Served Mont	4,235	4,687	5,457	5,245	4,248	4,143	4,134	4,033	4,000	4,000
% Change from prior year	1.3%	10.7%	16.4%	-3.9%	-19.0%	-2.5%	-0.2%	-2.4%	-0.8%	0.0%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,426	6,206	6,109	6,009	6,260	6,305	6,470	6,940	7,000	7,000
% Change from prior year	-0.8%	-3.4%	-1.6%	-1.6%	4.2%	0.7%	2.6%	7.3%	0.9%	0.0%
Adoption Support ⁽⁴⁾										
Avg # Children Served Mont	9,964	10,632	11,254	11,978	12,981	13,701	14,334	14,557	14,961	15,487
% Change from prior year	8.2%	6.7%	5.8%	6.4%	8.4%	5.5%	4.6%	1.6%	2.8%	3.5%
Caseload Ratio										
Avg Cases Per Worker ⁽⁵⁾	23:1	22:1	20:1	18:1	18:1	20:1	20:1	16:1	16:1	16:1

- (1) Includes unduplicated count of children in licensed foster care placements (family foster care, behavioral rehabilitative services, and receiving care). Does not include unlicensed kinship care. The data are not comparable with editions of the Legislative Budget Notes published prior to 2012, which provided a duplicated count of children in licensed foster care. Official forecasts are now based on an unduplicated count of children in licensed foster care placements, rather than a duplicated count.
- (2) Includes an unduplicated count of children in unlicensed kinship care. The data are not comparable to editions of the Legislative Budget Notes published prior to 2012, which included guardianships. This is the sum of: 1) Court Ordered Unlicensed Placements and 2) Relative of Specified Degree (Not Receiving Foster Care Payments). The data represent any-day-within-month counts, all custody types, and do not include children in guardianships (these are no longer documented as placements).
- (3) Includes Child Protective Services (CPS) child care and Foster Parent Employment child care. The data are not comparable to editions of the Legislative Budget Notes published prior to 2012, which also included teen parent, seasonal child care, adoption support, and Medicaid Treatment Child Care.
- (4) The data reflect Adoption Support maintenance payments. The data are not comparable to caseloads displayed in editions of the Legislative Budget Notes published prior to 2006, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.
- (5) Combined average number of open cases per worker for CPS, Child Welfare Services, Family Reconciliation Services, and Adoptive Home Studies at the end of the fiscal year. Estimated Caseload Ratios for FY 2014 and FY 2015 also include Family Assessment Response case workers.

Data Sources :

FY 2006 - FY 2011 actuals for Foster Care, Relative Placements, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2012 - FY 2015 actual and estimated data for Foster Care, Adoption Support, and Relative Placements are from the Caseload Forecast (FY 2011 - FY 2012 Child Care data and FY 2012 CPS data are from the Executive Management Information System.

FY 2006 - FY 2015 Caseload Ratios, and FY 2013 through 2015 CPS and Child Care data, are from the DSHS Children's Administration Bi

Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	170,981	8,709	179,690
2013 Supplemental *	288	0	288
Total 2011-13 Biennium	171,269	8,709	179,978
2013-15 Maintenance Level	176,397	5,605	182,002
Policy Changes - Other			
1. PC and Server Replacement	198	0	198
2. Mental Health Services Need	183	383	566
3. Prison Rape Elimination Act (PREA)	437	0	437
Policy -- Other Total	818	383	1,201
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	1,142	6	1,148
5. New Step M for Classified-Yr 2 Impl	30	0	30
6. State Employee Health Insurance	-226	0	-226
7. Coll. Bargained Personal Leave Day	182	0	182
8. Wellness - Smoker Surcharge	-34	0	-34
9. PEBB - Coverage Waiver Surcharge	-201	-1	-202
Policy -- Comp Total	893	5	898
Policy Changes - Transfers			
10. Transfer Office of Juvenile Justice	2,114	2,832	4,946
Policy -- Transfer Total	2,114	2,832	4,946
Total 2013-15 Biennium	180,222	8,825	189,047
Fiscal Year 2014 Total	89,967	4,498	94,465
Fiscal Year 2015 Total	90,255	4,327	94,582

Comments:

1. **PC and Server Replacement** - Funding is provided to replace servers and staff personal computers that are more than four years old. Financing is provided through a Department of Enterprise Services operational lease with repayment spanning over four years beginning in FY 2015. (General Fund-State)
2. **Mental Health Services Need** - Funding is provided for six direct care mental health staff to supervise and care for youth living in the mental health living units at Echo Glen Children's Center and Green Hill School. Recent data indicates that 72 percent of Juvenile Rehabilitation Administration (JRA) youth are diagnosed with mental illness and 20 percent of JRA youth are under suicide or self-harm observation. A fund balance from the Reinvesting in Youth Account is used as a one-time offset to state general funds. (General Fund-State, Reinvesting in Youth Account)
3. **Prison Rape Elimination Act (PREA)** - The federal Prison Rape Elimination Act (PREA) sets standards intended to prevent, detect, and respond to sexual abuse in juvenile institutions. Funding and FTEs are provided for a temporary program administrator, on-call staff to backfill while regular staff attend PREA training, and the cost of federally-mandated audits. Of the total costs, \$376,000 are estimated to be one-time and \$61,000 to be ongoing.
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer

Department of Social and Health Services Juvenile Rehabilitation

coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)

7. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days.
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)
10. **Transfer Office of Juvenile Justice** - Staff and funding for the Office of Juvenile Justice are transferred from the Department of Social and Health Services (DSHS) Administration and Supporting Services Division to JRA to reflect internal agency restructuring. (General Fund-State, General Fund-Federal, General Fund-Local)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services

Juvenile Rehabilitation

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Community Residential ⁽¹⁾										
Avg Daily Population/Month	99	92	102	78	101	96	98	128	128	128
% Change from prior year	-19.2%	-7.1%	10.9%	-23.5%	29.5%	-4.7%	2.2%	30.2%	0.0%	0.0%
Institutions										
Avg Daily Population/Month	728	736	676	624	615	514	468	421	421	427
% Change from prior year	-6.8%	1.1%	-8.2%	-7.7%	-1.4%	-16.4%	-8.9%	-10.1%	0.0%	1.4%
Parole										
Avg Daily Population/Month	751	692	708	689	440	418	373	371	371	371
% Change from prior year	3.1%	-7.9%	2.3%	-2.7%	-36.1%	-5.0%	-10.7%	-0.6%	0.0%	0.0%

In 2011 the Sunrise Community Facility opened and added 15 beds, and the Ridgeview Community Facility was reduced by 4 beds. The Touchstone Community Facility opened in 2012.

(1) Includes State Group Homes, Community Residential Placements, the Short-Term Transition Program, and the County Commitment Program. Beginning in FY 2002, funding for County Commitment Program beds was eliminated.

Data Sources:

FY 2006 data are from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

FY 2007 through FY 2010 data are from legislative fiscal staff.

FY 2011 through FY 2012 data are from the DSHS Executive Management Information System.

FY 2013 through FY 2015 data are from the DSHS JRA.

Department of Social and Health Services Mental Health

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	880,826	706,205	1,587,031
2013 Supplemental *	3,286	-5,725	-2,439
Total 2011-13 Biennium	884,112	700,480	1,584,592
2013-15 Maintenance Level	933,865	717,759	1,651,624
Policy Changes - Other			
1. Federal Medicaid Expansion	-50,718	74,627	23,909
2. Autism Licensing	0	56	56
3. Involuntary Commitment	17,726	10,238	27,964
4. Electronic Medical Record System	4,134	240	4,374
5. De-Certified Bed Days	-1,200	1,200	0
6. Mental Health Security Enhancements	7,478	2,085	9,563
7. Criminal Incompetency	1,298	854	2,152
8. Competency Evaluations	240	0	240
9. RSN Viability	298	0	298
10. Improving Service Delivery	561	302	863
11. Mental Health First Aid	75	21	96
Policy -- Other Total	-20,108	89,623	69,515
Policy Changes - Comp			
12. New Step M for Classified-Yr 1 Impl	3,788	472	4,260
13. New Step M for Classified-Yr 2 Impl	197	22	219
14. State Employee Health Insurance	-782	-107	-889
15. Coll. Bargained Personal Leave Day	433	60	493
16. Wellness - Smoker Surcharge	-116	-16	-132
17. PEBB - Coverage Waiver Surcharge	-695	-96	-791
Policy -- Comp Total	2,825	335	3,160
Total 2013-15 Biennium	916,582	807,717	1,724,299
Fiscal Year 2014 Total	469,609	377,778	847,387
Fiscal Year 2015 Total	446,973	429,939	876,912

Comments:

1. **Federal Medicaid Expansion** - Implementation of the Patient Protection and Affordable Care Act (ACA) expands Medicaid eligibility for individuals between the ages of 19 and 64 with income at or below 133 percent of the federal poverty level who are not otherwise categorically eligible for Medicaid. It is expected that this newly eligible group will be comprised primarily of adult populations, some of whom are currently served with state-only funding. During the first three years of the expansion, the federal government will provide 100 percent Federal Financial Participation (FFP) for the newly eligible group's medical costs. The FFP will ramp down and after 10 years the federal government will continue to pay 90 percent of the FFP for the newly eligible group. In addition, current Medicaid enrollees in the Presumptive Supplemental Security Income Program will receive an enhanced 75 percent federal match because Washington is an "expansion state" under the ACA. Individuals who would have become new enrollees will become newly eligible for Medicaid at a 100 percent federal match. State and federal funding for Regional Support

Networks (RSNs) is adjusted to reflect these changes and to reflect offsets in non-Medicaid funding for services to those who will now be eligible for Medicaid. (General Fund-State, General Fund-Federal)

2. **Autism Licensing** - As a result of a negotiated settlement agreement in *Washington Autism Alliance and Advocacy, et al. v. W.A.A.A. v. Porter*, applied behavioral analysis therapy is now a covered mental health service for children 20 years of age and younger who are members of the Apple Health Program. Local expenditure authority is provided for licensing agencies to provide these new services. It is estimated that 15 new certified mental health agencies will be licensed. (General Fund-Private/Local)

3. **Involuntary Commitment** - Staff and funding are provided to implement Chapter 335, Laws of 2013 (ESSB 5480). The implementation of changes which broaden commitment criteria under the state's involuntary treatment act are accelerated from previous law to begin July 1, 2014. Funding is provided for

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RSNs to develop and implement a variety of community options that may serve as alternatives to state hospital commitments including: increases in evaluation and treatment center beds; program of assertive community treatment teams; mobile outreach crisis teams; crisis triage or stabilization beds; peer support services; or other services approved by the Department of Social and Health Services. (General Fund-State, General Fund-Federal)

4. **Electronic Medical Record System** - Funding is provided for the state psychiatric hospitals to plan, procure, and implement the core elements of an electronic medical record system that is compliant with the International Classification of Diseases (ICD-10) by October 1, 2014. These funds must be used for an electronic medical record system that meets federal criteria for electronic sharing of patient information and clinical care summaries with doctors' offices, hospitals, and health systems that use federally-certified electronic health record systems. The procurement and implementation must be conducted to allow for these services to be expanded to the Department of Corrections. (General Fund-State, General Fund-Federal)
5. **De-Certified Bed Days** - The state hospitals are required to reduce the number of individuals who remain inpatient after they no longer require active treatment for their mental disorder. Services provided to these individuals are de-certified from coverage through Medicare and private insurance resulting in a loss of federal and local revenue. The state hospitals must improve current operation and discharge practices to reduce the number of de-certified beds in the 2013-15 biennium. (General Fund-State, General Fund-Federal, General Fund-Local)
6. **Mental Health Security Enhancements** - Funding is provided to implement security enhancements at the state hospitals. These enhancements include additional psychiatric security attendants and nurses, registered nurses, and staff training. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
7. **Criminal Incompetency** - Chapter 289, Laws of 2013 (E2SHB 1114) modifies procedures and standards for involuntary treatment of persons who have been deemed incompetent to stand trial for violent felonies. This is expected to increase the number of individuals committed to state hospitals by approximately 20 persons per day. RSNs are provided funding to develop and implement alternative community programs which are expected to decrease the utilization of state hospital beds and allow for these beds to be used for increased commitments expected under the act. These funds may be used to increase the number of Program of Assertive Community Treatment teams, mobile outreach crisis teams, crisis triage centers, or other alternatives approved by the Department of Social and Health Services that will result in decreased utilization of state hospital beds. Individuals who meet criteria for additional periods of commitment under the act may be served through these programs if it is determined that a less restrictive alternative can meet their needs. (General Fund-State, General Fund-Federal)
8. **Competency Evaluations** - Funding is provided to implement Chapter 284, Laws of 2013 (ESSB 5551). Subject to specific funding appropriated for this purpose, the act requires the Department of Social and Health Services (DSHS) to reimburse counties for competency evaluations conducted by non-state hospital employees in certain circumstances.
9. **RSN Viability** - Funding is provided to maintain financial viability and provide stability for services in the Chelan-Douglas RSN. This funding will be used to provide payments to RSNs in eastern Washington that have used less than their allocated or contracted patient days of care at the state hospital to replace the share of the reimbursements from the Chelan-Douglas RSN that the RSNs would have received under RCW 71.24.320.
10. **Improving Service Delivery** - Staff and funding are provided to implement Chapter 320, Laws of 2013 (ESHB 1519) and Chapter 338, Laws of 2013 (2SSB 5732). These acts require the use of evidence-based practices and the creation of performance measures for service coordination organizations. (General Fund-State, General Fund-Federal)
11. **Mental Health First Aid** - In accordance with Chapter 197, Laws of 2013, (ESHB 1336), DSHS must provide mental health first aid training targeted at teachers and educational staff. The training model will follow the model developed by the Department of Psychology in Melbourne, Australia. (General Fund-State, General Fund-Federal)
12. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
13. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
15. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time

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coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days. (General Fund-State, Other Funds)

16. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
17. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services

Mental Health

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimates		
								2013	FY 14	FY 15
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,262	1,292	1,251	1,172	1,101	1,078	1,077	1,161	1,161	1,161
% Change from prior year	4.6%	2.4%	-3.1%	-6.3%	-6.1%	-2.1%	0.0%	7.8%	0.0%	0.0%
Community Outpatient Services										
Avg Persons Served per Month	51,779	49,874	49,203	44,953	54,166	60,137	59,050	59,403	65,450	73,618
% Change from prior year	-4.0%	-3.7%	-1.3%	-8.6%	20.5%	11.0%	-1.8%	0.6%	10.2%	12.5%
Adults	36,979	35,738	35,278	32,432	38,846	42,691	41,030	41,390	47,029	54,441
% Change from prior year	-3.5%	-3.4%	-1.3%	-8.1%	19.8%	9.9%	-3.9%	0.9%	13.6%	15.8%
Children	14,800	14,136	13,925	12,521	15,319	17,445	18,020	18,013	18,421	19,177
% Change from prior year	-5.0%	-4.5%	-1.5%	-10.1%	22.3%	13.9%	3.3%	0.0%	2.3%	4.1%
People on Medicaid	45,219	42,802	42,322	38,512	47,306	52,625	52,326	52,678	58,992	68,335
% Change from prior year	-3.3%	-5.3%	-1.1%	-9.0%	22.8%	11.2%	-0.6%	0.7%	12.0%	15.8%
People not on Medicaid	6,560	7,072	6,881	6,441	6,859	7,512	6,725	6,725	6,458	5,283
% Change from prior year	-8.4%	7.8%	-2.7%	-6.4%	6.5%	9.5%	-10.5%	0.0%	-4.0%	-18.2%

⁽¹⁾ Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center.

Data Sources :

FY 2006 through FY 2012 actuals are from DSHS reports.

FYs 2013, 2014 and 2015 estimates are by legislative fiscal committee staff.

Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	992,616	939,761	1,932,377
2013 Supplemental *	-9,658	-8,651	-18,309
Total 2011-13 Biennium	982,958	931,110	1,914,068
2013-15 Maintenance Level	1,020,863	951,463	1,972,326
Policy Changes - Other			
1. Federal Medicaid Expansion	-588	1,172	584
2. Agency Provider Parity	4,377	4,376	8,753
3. Critical Community Placements	2,956	2,823	5,779
4. Community Crisis Stabilization	1,628	-512	1,116
5. SOLA Needs	1,594	1,592	3,186
6. Basic Plus Waiver	4,475	4,237	8,712
7. Provider Fiscal Agent	1,547	4,790	6,337
8. Recover Cost of AFH Quality Assuran	0	380	380
9. In-Home Provider Arbitration	33,908	33,910	67,818
10. IFS Expansion	1,488	0	1,488
11. MR v Dreyfus Exception to Rule	1,263	1,217	2,480
Policy -- Other Total	52,648	53,985	106,633
Policy Changes - Comp			
12. New Step M for Classified-Yr 1 Impl	2,160	2,118	4,278
13. New Step M for Classified-Yr 2 Impl	73	78	151
14. State Employee Health Insurance	-515	-496	-1,011
15. Coll. Bargained Personal Leave Day	375	374	749
16. Wellness - Smoker Surcharge	-76	-73	-149
17. PEBB - Coverage Waiver Surcharge	-457	-440	-897
Policy -- Comp Total	1,560	1,561	3,121
Total 2013-15 Biennium	1,075,071	1,007,009	2,082,080
Fiscal Year 2014 Total	528,567	493,067	1,021,634
Fiscal Year 2015 Total	546,504	513,942	1,060,446

Comments:

- Federal Medicaid Expansion** - Staffing and funding adjustments are made due to the expansion of Medicaid eligibility to include people whose incomes are at 138 percent of the federal poverty level or less, as allowed by the Patient Protection and Affordable Care Act (ACA). Enrollment in the Presumptive Supplemental Security Income (SSI) program will close on January 1, 2014. The Presumptive Supplemental Security Income program provides Medicaid coverage for approximately 20,000 clients with long-term medical conditions that make them likely to meet federal disability criteria, but whose federal disability determinations are pending. The federal government provides a 50 percent match for this program. Washington will receive an enhanced 75 percent federal match for currently enrolled clients because Washington is an "expansion state" under the ACA. New clients may enroll under the expansion with a 100 percent federal match. Under the ACA, the federal government will match Medicaid work that is application and maintenance related at 75 percent, instead of the current 50 percent. (General Fund-State, General Fund-Federal)
- Agency Provider Parity** - RCW 74.39A.310 requires that home care agency providers must receive wage and benefit parity with individual home care providers. As a result, additional funding is provided for new or increased: wages; pay differentials; mileage reimbursements; comprehensive health benefits; training contributions; initial certification and testing fee subsidies; union presentations; and paid holidays. These provisions are pursuant to the interest arbitration award between the Service Employees International Union Healthcare 775NW and the state of Washington. (General Fund-State, General Fund-Federal)
- Critical Community Placements** - Funding is provided for out-of-home community residential placements for 51 individuals with developmental disabilities. These clients will need placement as they move from other state residential settings, including foster care, juvenile rehabilitation, mental health

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institutions, and the Department of Corrections. (General Fund-State, General Fund-Federal)

4. **Community Crisis Stabilization** - The Department of Social and Health Services (DSHS) will create and operate a community crisis stabilization home for children, and a mobile treatment team that will operate statewide. These services will provide time-limited support to preserve, maintain, and strengthen an individual's ability to remain in the community with his or her family rather than move to a residential or institutional placement. (General Fund-State, General Fund-Federal)
5. **SOLA Needs** - The DSHS will create two new State Operated Living Alternative (SOLA) homes for people with developmental disabilities, one in the Spokane area and another in the Yakima area. SOLA homes provide an additional zero-reject alternative for children who are not eligible for a Residential Habilitation Center placement. (General Fund-State, General Fund-Federal)
6. **Basic Plus Waiver** - DSHS will increase Medicaid waiver slots for 734 individuals with developmental disabilities. This additional capacity is intended for graduating high school students, who are not already on a Medicaid waiver but are currently eligible for Medicaid personal care services, for use during the transition from high school to employment. (General Fund-State, General Fund-Federal)
7. **Provider Fiscal Agent** - The federal Office of the Inspector General has issued a finding for three consecutive years regarding time reporting for individual providers. DSHS will contract with a fiscal employer agent to pay all W-2 paid providers. Implementing this change will result in compliance with Medicaid rules regarding time reporting for W-2 paid providers, federal financial participation requirements for federal matching funds, and collective bargaining agreement requirements. (General Fund-State, General Fund-Federal)
8. **Recover Cost of AFH Quality Assuran** - Adult family home license fees will be increased \$50 per bed in FY 2014. An additional \$0.14 per day is added to the rates for publicly funded beds to cover the cost of this increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
9. **In-Home Provider Arbitration** - Pursuant to the interest arbitration award between the Service Employees International Union Healthcare 775NW and the state of Washington for the 2013-15 biennium, additional funding is provided for new or increased: wages; pay differentials; mileage reimbursements; comprehensive health benefits; training contributions; initial certification and testing fee subsidies; union presentations; and paid holidays. Additional administrative funding is also provided to implement the arbitration award. (General Fund-State, General Fund-Federal)
10. **IFS Expansion** - The Legislature intends to increase the number of clients served by the Individual and Family Services (IFS) program by extending services to individuals with developmental disabilities who are not otherwise receiving paid services. Currently, IFS services are underutilized at approximately sixty percent of the total funded level while simultaneously, many individuals who qualify for IFS cannot receive it because all available funded program slots are taken. The Developmental Disabilities Administration (DDA) must review past utilization experience and award levels and develop policies to align award levels with utilization thereby expanding the program to individuals with developmental disabilities who are not otherwise receiving paid services from the DDA. As part of its review, the DDA may consider potential policy changes to include modifying the maximum annual dollar amount awarded to each service priority level, establishing a proration methodology based on past utilization, or other options to ensure the program is providing the maximum benefit to the greatest number of individuals within available funding. Clients who are not receiving paid services from DDA may be added to the IFS program during the 2013-15 biennium. Corresponding changes must be made to the State Supplementary Payment (SSP) program to ensure that award levels are consistent for clients in the IFS program and clients receiving SSP in lieu of IFS.
11. **MR v Dreyfus Exception to Rule** - Funding is provided for the workload impact, as well as the per capita cost impact, from an anticipated increase in exception-to-rule (ETR) requests due to the *M.R., et al. v. Dreyfus* lawsuit. An ETR refers to additional paid service granted when a client presents a situation that differs from the majority, and the service is in the interest of both the overall economy and the client's welfare. The exception may not contradict a specific provision of federal law or state statute. (General Fund-State, General Fund-Federal)
12. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
13. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
15. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some

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employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days. (General Fund-State, Other Funds)

16. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
17. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services Developmental Disabilities

WORKLOAD HISTORY By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Institutions ⁽¹⁾										
Avg Monthly Population	982	996	997	982	951	914	905	891	878	865
% Change from prior year	-10.8%	1.4%	0.1%	-1.5%	-3.2%	-3.9%	-1.0%	-1.5%	-1.5%	-1.5%
Community Residential Programs ⁽²⁾										
Avg Caseload	4,379	4,300	4,269	4,269	4,252	4,230	4,261	4,377	4,437	4,509
% Change from prior year	-10.7%	-1.8%	-0.7%	0.0%	-0.4%	-0.5%	0.7%	2.7%	1.4%	1.6%
Employment & Day Programs ⁽³⁾										
Avg Monthly Number Served	9,021	9,454	9,853	10,344	10,479	10,667	10,179	10,407	10,660	10,921
% Change from prior year	4.5%	4.8%	4.2%	5.0%	1.3%	1.8%	-4.6%	2.2%	2.4%	2.4%
Individual and Family Services ⁽⁴⁾										
Number of Clients Served	4,089	4,493	2,708	2,742	3,088	3,265	3,337	3,276	4,000	4,800
% Change from prior year	11.9%	9.9%	-39.7%	1.3%	12.6%	5.7%	2.2%	-1.8%	22.1%	20.0%
Waiver Respite ⁽⁵⁾										
Number of Clients Served		129	2,097	2,098	2,316	2,440	2,469	2,471	2,540	2,590
% Change from prior year			1525.6%	0.0%	10.4%	5.4%	1.2%	0.1%	2.8%	2.0%
Personal Care ⁽⁶⁾										
Number of Clients Served	11,150	11,391	11,662	12,338	12,663	12,943	13,126	12,609	12,706	12,995
% Change from prior year	1.5%	2.2%	2.4%	5.8%	2.6%	2.2%	1.4%	-3.9%	0.8%	2.3%

⁽¹⁾ Caseload counts include long-term and short-term stays.

⁽²⁾ Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and Community Intermediate Care Facility for Intellectually Disabled.

⁽³⁾ Employment and day programs include Supported Employment, Group Supported Employment, Person to Person, Child Development Services, Sheltered Industries, and Community Access.

⁽⁴⁾ Individual and Family Services (IFS) covers state-only respite, therapies, equipment and supplies, modifications for disability access, recreation, and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services were moved to another budget unit. IFS now contains state-only respite. FY 2010 counts dropped for this time period due to the suspension of IFS services from January 2010 through June 2010. FY 2014 projects 700 increased enrollment from budget step, ramping up to a total of 1,500 more enrollment in FY 2015.

⁽⁵⁾ Waiver respite was moved from Family Support to other community services. It is no longer part of IFS.

⁽⁶⁾ Personal care services include children and adults receiving individual provider and agency provider in-home services and personal care adult family home and adult residential care in both the Medicaid personal care and waiver programs.

Data Sources:

For Personal Care, FY 2009 forward data are from the Caseload Forecast Council.

Except as noted above, FY 2014 and FY 2015 data are estimates from the allotment process.

Other data are from DSHS's Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation database.

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(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,600,831	1,809,898	3,410,729
2013 Supplemental *	-9,157	-5,873	-15,030
Total 2011-13 Biennium	1,591,674	1,804,025	3,395,699
2013-15 Maintenance Level	1,717,610	1,923,873	3,641,483
Policy Changes - Other			
1. Federal Medicaid Expansion	-12,119	17,685	5,566
2. Agency Provider Parity	28,568	28,567	57,135
3. Adult Behavior Services & Acctnblty	1,473	1,360	2,833
4. Provider Fiscal Agent	4,894	15,150	20,044
5. Recover Cost of AFH Quality Assuran	-4,175	5,657	1,482
6. Delay Nursing Home Rebase	-31,428	-31,428	-62,856
7. Health Path Washington	705	4,840	5,545
8. Adult Family Home Agreement	1,538	1,506	3,044
9. In-Home Provider Arbitration	79,273	79,273	158,546
10. Walla Walla Veterans Home	777	776	1,553
11. Community Connections Grant	0	1,593	1,593
12. Empowering Adults Grant	0	800	800
13. Improving Service Delivery	109	108	217
14. Dual Eligibles Grant	0	76	76
15. Quality Measures Grant	0	500	500
16. AFH Quality Assurance	399	398	797
17. LTC Planning Task Force	50	50	100
18. MR v Dreyfus Exception to Rule	5,487	5,371	10,858
19. Managed Care Rates	-1,126	-1,126	-2,252
Policy -- Other Total	74,425	131,156	205,581
Policy Changes - Comp			
20. New Step M for Classified-Yr 1 Impl	1,306	898	2,204
21. New Step M for Classified-Yr 2 Impl	58	34	92
22. State Employee Health Insurance	-272	-175	-447
23. Wellness - Smoker Surcharge	-40	-26	-66
24. PEBB - Coverage Waiver Surcharge	-241	-156	-397
Policy -- Comp Total	811	575	1,386
Total 2013-15 Biennium	1,792,846	2,055,604	3,848,450
Fiscal Year 2014 Total	869,628	988,775	1,858,403
Fiscal Year 2015 Total	923,218	1,066,829	1,990,047

Comments:

- Federal Medicaid Expansion** - Staffing and funding adjustments are made due to the expansion of Medicaid eligibility to include people whose incomes are at 133 percent of the federal poverty level or less, as allowed by the Patient Protection and Affordable Care Act (ACA). Enrollment in the Presumptive Supplemental Security Income (SSI) program will close on January 1, 2014. The Presumptive Supplemental Security Income program provides Medicaid coverage for approximately 20,000 clients with long-term medical conditions that make them likely to meet federal disability criteria, but whose federal disability determinations are pending. The federal government provides a 50 percent match for this program. Washington will receive an enhanced 75 percent federal match for currently enrolled clients because Washington is an "expansion state" under the ACA. New clients may enroll under the expansion with a 100 percent federal match. Under the ACA, the federal government will match Medicaid work that is application and maintenance related at 75 percent, instead of the current 50 percent. (General Fund-State, General Fund-Federal)
- Agency Provider Parity** - RCW 74.39A.310 requires that home care agency providers must receive wage and benefit parity with individual home care providers. As a result, additional funding is provided for new or increased: wages; pay differentials; mileage reimbursements; comprehensive health

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benefits; training contributions; initial certification and testing fee subsidies; union presentations; and paid holidays. These provisions are pursuant to the interest arbitration award between the Service Employees International Union Healthcare 775NW and the State of Washington. (General Fund-State, General Fund-Federal)

3. **Adult Behavior Services & Acctnbtlty** - Pursuant to Chapter 338, Laws of 2013 (2SSB 5732), funding is provided to implement enhanced services facilities in the community for individuals residing in state hospitals with mental illness who no longer require active treatment. (General Fund-State, General Fund-Federal)
4. **Provider Fiscal Agent** - The federal Office of the Inspector General has issued a finding for three consecutive years regarding time reporting for individual providers. The Department of Social and Health Services (DSHS) will contract with a fiscal employer agent to pay all W-2 paid providers. Implementing this change will result in compliance with Medicaid rules regarding time reporting for W-2 paid providers, federal financial participation requirements for federal matching funds, and collective bargaining agreement requirements. (General Fund-State, General Fund-Federal)
5. **Recover Cost of AFH Quality Assuran** - Adult family home license fees will be increased \$50 per bed in fiscal year 2014. An additional \$0.14 per day is added to the rates for publicly funded beds to cover the cost of this increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
6. **Delay Nursing Home Rebase** - DSHS will delay rebasing non-capital nursing home rate components until July 1, 2015. The comparison add-on and acuity add-on to the nursing home rate will be extended to June 30, 2015. (General Fund-State, General Fund-Federal)
7. **Health Path Washington** - Expenditure authority is provided for the Health Path Washington grant which will be utilized to design improved coordination of services and manage costs for clients dually eligible for both Medicaid and Medicare. The design grant does not require a state match in the first year of development; however, there is a 25 percent state match in the second year and 50 percent state match in subsequent years. (General Fund-State, General Fund-Federal)
8. **Adult Family Home Agreement** - Pursuant to an agreement between the Washington State Residential Care Council and the state of Washington, additional funding is provided for a specialty adult family home contract for community placement of clients currently in Western State Hospital and for an increase in the bed hold rate for days eight through 20. (General Fund-State, General Fund-Federal)
9. **In-Home Provider Arbitration** - Pursuant to the interest arbitration award between the Service Employees International Union Healthcare 775NW and the state of Washington for the 2013-15 biennium, additional funding is provided for new or increased: wages; pay differentials; mileage reimbursements; comprehensive health benefits; training contributions; initial certification and testing fee subsidies; union presentations; and paid holidays. Additional administrative funding is also provided to implement the arbitration award. (General Fund-State, General Fund-Federal)
10. **Walla Walla Veterans Home** - Funding is provided for cost reimbursement for Medicaid clients in the new Walla Walla Veterans Home nursing facility. The home will begin accepting clients in July 2014. Medicaid clients who will reside in the new facility will be part of the long-term care nursing facility forecast. (General Fund-State, General Fund-Federal)
11. **Community Connections Grant** - Expenditure authority is provided for the federal Community Connections Grant awarded by the U.S. Department of Health and Human Services' Administration of Community Living. DSHS will work with the Aging and Disability Resource Centers to strengthen and expand the person-centered access programs to help citizens learn about the long-term services and supports that best meet their needs. There are no matching state fund requirements for this grant. (General Fund-Federal)
12. **Empowering Adults Grant** - Expenditure authority is provided for the federal Empowering Adults Grant awarded to DSHS by the U.S. Department of Health and Human Services' Administration of Community Living. DSHS will provide assistance on evidence-based practices to help older adults and adults with disabilities to better manage chronic conditions, such as hypertension, arthritis, diabetes, depression, and obesity. There are no matching state fund requirements for this grant. (General Fund-Federal)
13. **Improving Service Delivery** - Staff and funding are provided to implement Chapter 320, Laws of 2013 (ESHB 1519) and Chapter 338, Laws of 2013 (2SSB 5732). These acts require the use of evidence-based practices and the creation of performance measures for service coordination organizations. (General Fund-State, General Fund-Federal)
14. **Dual Eligibles Grant** - Expenditure authority is provided for the federal Dual Eligible Grant awarded to DSHS by the Centers for Medicare and Medicaid Services. DSHS will work with community partners to provide options counseling to Medicare-Medicaid individuals (dual eligibles) to ensure that these individuals have access to an unbiased and consumer friendly source of information. There are no matching state fund requirements for this grant. (General Fund-Federal)
15. **Quality Measures Grant** - Expenditure authority is provided for the federal Quality Measures Grant awarded to DSHS by the Centers for Medicare and Medicaid Services. DSHS will develop staff capacity to collect, report, and analyze data on the initial core set of health care quality measures for adults enrolled in Medicaid. There are no matching state fund requirements for this grant. (General Fund-Federal)
16. **AFH Quality Assurance** - Pursuant to Chapter 300, Laws of 2013 (SSB 5630), funding is provided to improve quality assurance measures for Adult Family Homes (AFHs). DSHS will improve the oversight and delivery of specialty training for

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AFH caregivers. In addition, DSHS will develop and maintain a searchable website for family, residents, and prospective residents with information about AFH vacancies, levels of care, inspection reports, and enforcement actions. (General Fund-State, General Fund-Federal)

17. **LTC Planning Task Force** - Funding is provided for staff support or other expenses associated with the work of the Joint Legislative Executive Committee on Planning for Aging and Disability (Committee). The Committee must issue an interim report to the Legislature by December 10, 2013, and issue final recommendations to the Governor and relevant standing committees of the Legislature by December 10, 2014. (General Fund-State, General Fund-Federal)
18. **MR v Dreyfus Exception to Rule** - Funding is provided for the workload impact, as well as the per capita cost impact, from an anticipated increase in exception-to-rule (ETR) requests due to the *M.R., et al. v. Dreyfus* lawsuit. An ETR refers to additional paid service granted when a client presents a situation that differs from the majority, and is in the interest of both the overall economy and the client's welfare. The exception may not contradict a specific provision of federal law or state statute. (General Fund-State, General Fund-Federal)
19. **Managed Care Rates** - Rates for the managed care plan options administered by DSHS are reduced 5 percent. (General Fund-State, General Fund-Federal)
20. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
21. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
22. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
23. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014.

This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)

24. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Aging and Long-Term Services Administration**

WORKLOAD HISTORY
By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Nursing Homes										
Avg # Served per Day	11,928	11,546	11,057	10,699	10,682	10,358	10,171	10,052	10,256	10,228
% Change from prior year	-1.3%	-3.2%	-4.2%	-3.2%	-0.2%	-3.0%	-1.8%	-1.2%	2.0%	-0.3%
Community Care ⁽¹⁾										
Avg # Served per Month	37,044	38,098	39,523	41,778	44,080	46,025	48,143	49,077	50,602	52,485
% Change from prior year	4.3%	2.8%	3.7%	5.7%	5.5%	4.4%	4.6%	1.9%	3.1%	3.7%
Combined Total										
Avg Persons Served	48,969	49,644	50,580	52,477	54,762	56,383	58,314	59,128	60,858	62,713
% Change from prior year	2.9%	1.4%	1.9%	3.8%	4.4%	3.0%	3.4%	1.4%	2.9%	3.0%

⁽¹⁾ Includes Chore Services, Community Options Program Entry Services, Medically Needy, Adult Residential, and Medicaid Personal Care.

Data Sources :

Caseload Forecast Council and legislative fiscal staff.

Department of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	854,036	1,205,008	2,059,044
2013 Supplemental *	-51,797	2,835	-48,962
Total 2011-13 Biennium	802,239	1,207,843	2,010,082
2013-15 Maintenance Level	928,130	1,190,163	2,118,293
Policy Changes - Other			
1. Eligibility Simplification	-1,903	-1,903	-3,806
2. Information System Changes	1,150	5,071	6,221
3. Reform Telecommunication Svcs	9,458	0	9,458
4. Disability Standard Change	2,000	0	2,000
5. Child Care Reform	18	0	18
6. Improving Child Care Quality	14,774	0	14,774
7. LEP Pilots	500	0	500
8. TANF WCCC Caseload Savings	-156,131	48,057	-108,074
9. Reduce WorkFirst Partners	-2,000	0	-2,000
10. TANF Redesign Caseload	-3,630	0	-3,630
11. State Food Assistance	9,425	0	9,425
12. Predictive Modeling	712	0	712
Policy -- Other Total	-125,627	51,225	-74,402
Policy Changes - Comp			
13. New Step M for Classified-Yr 1 Impl	6,132	1,524	7,656
14. New Step M for Classified-Yr 2 Impl	164	41	205
15. Family Childcare Provider CBA	970	0	970
16. State Employee Health Insurance	-1,103	-287	-1,390
17. Wellness - Smoker Surcharge	-163	-43	-206
18. PEBB - Coverage Waiver Surcharge	-980	-255	-1,235
Policy -- Comp Total	5,020	980	6,000
Total 2013-15 Biennium	807,523	1,242,368	2,049,891
Fiscal Year 2014 Total	402,504	615,416	1,017,920
Fiscal Year 2015 Total	405,019	626,952	1,031,971

Comments:

1. **Eligibility Simplification** - Implementation of the Patient Protection and Affordable Care Act (ACA) simplifies the eligibility rules for the Medicaid program. The Department of Social and Health Services (DSHS) Economic Services Administration will require fewer staff to process applications for children, families, and pregnant women, which will be determined through the Health Benefit Exchange. (General Fund-State, General Fund-Federal)
2. **Information System Changes** - Funding and 4.5 FTEs are provided to support the first phase in modifying the Automated Client Eligibility System to support the new modified gross income rules implemented as part of the ACA Medicaid expansion. (General Fund-State, General Fund-Federal)
3. **Reform Telecommunication Svcs** - The Washington Telephone Assistance Program and a statewide information and referral network are currently supported through a portion of taxes that are deposited into the non-appropriated Telephone Assistance Account. This account is eliminated and the programs are shifted to the state general fund in accordance with Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971).
4. **Disability Standard Change** - In accordance with Chapter 10, Laws of 2013, 2nd sp.s. (SHB 2069), the disability standard applied by DSHS in making disability determinations for the Aged, Blind, and Disabled program is broadened. The disability definition criteria is reduced by shortening the time a person is likely to be disabled from 12 months to nine months and by reducing the time the disability will prevent the individual from performing work that he or she was able to perform in the prior 15 years to 10 years. Funding is provided for the estimated caseload impact.
5. **Child Care Reform** - Funding is provided for implementation of Section 1, Chapter 337, Laws of 2013 (2SSB 5595). The act requires DSHS to provide training on professionalism to employees who provide services to parents applying for or

Department of Social and Health Services Economic Services Administration

receiving subsidized child care services. The funding is provided for curriculum development and online training to meet the requirements of the bill.

6. **Improving Child Care Quality** - Funding is provided to improve the quality of subsidized child care. DSHS must provide a 2 percent base rate increase to all subsidized child care providers. In addition, DSHS must provide an additional 2 percent increase to all providers who achieve level two or above in the Early Achievers quality rating and improvement system. These rate increases take effect September 1, 2013.
7. **LEP Pilots** - Funding is provided for expansion of pilots that assist refugees with limited-english proficiency (LEP) to obtain and maintain employment.
8. **TANF WCCC Caseload Savings** - Funding for the WorkFirst program is adjusted to reflect reductions in the cash assistance and child care caseloads.
9. **Reduce WorkFirst Partners** - Funding is reduced for WorkFirst services provided by the State Board of Community and Technical Colleges and Employment Security. These reductions will be applied proportionately.
10. **TANF Redesign Caseload** - Funding is reduced due to shorter lengths of stay in TANF and WorkFirst programs as a result of the redesign of the TANF program and WorkFirst activities. This reduction assumes a three month shorter length of stay for 11 percent of the projected caseload for state FY 2015.
11. **State Food Assistance** - Funding is provided to bring the state food assistance benefit to 75 percent of the federal supplemental nutrition assistance program benefit level.
12. **Predictive Modeling** - Funding is provided for the development and implementation of a predictive modeling information application that will be used to improve coordination of services and outcomes to clients in the Temporary Assistance for Needy Families program.
13. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
14. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
15. **Family Childcare Provider CBA** - Pursuant to an agreement between the Service Employees International Union Local 925 and the state of Washington, additional funding is provided to maintain health care benefits, increase training scholarship funds, and to enhance non-standard hours bonus pay.
16. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
17. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
18. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services

Economic Services Administration

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Aged, Blind, or Disabled Assistance Program										
Avg Monthly Caseload							17,953	22,445	26,597	29,247
% Change from prior year								25.0%	18.5%	10.0%
TANF Cases										
Avg Monthly Caseload	55,520	51,936	50,119	56,458	64,450	65,137	54,434	48,709	44,359	40,566
% Change from prior year	-2.5%	-6.5%	-3.5%	12.6%	14.2%	1.1%	-16.4%	-10.5%	-8.9%	-8.6%
Working Connections Child Care										
Avg # Children Served/Month	60,860	59,593	59,829	61,113	64,127	60,312	43,765	43,821	51,174	53,323
% Change from prior year	-1.2%	-2.1%	0.4%	2.1%	4.9%	-5.9%	-27.4%	0.1%	16.8%	4.2%

Data Sources :

The Aged, Blind, or Disabled Assistance Program began November 1, 2011. The caseload for FY 2012 reflects the estimated caseload average from November 2011 through June 2012.

FY 2013 through FY 2015 Aged, Blind, or Disabled Assistance Program estimates are from the Caseload Forecast Council June 2013 forecast and estimated impacts of legislation.

FY 2004 through FY 2012 Temporary Assistance for Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).

FY 2013 through FY 2015 TANF case estimates are from the OFM June 2013 TANF forecast and estimated impacts of legislation.

FY 2004 through FY 2007 Child Care actuals are from Department of Social and Health Services Division of Research and Data Analysis reports.

FY 2008 through FY 2012 Child Care actuals are from OFM.

FY 2013 through FY 2015 Child Care estimates are from the OFM June 2013 Working Connections forecast.

The Disability Lifeline Program was terminated October 31, 2011 and is no longer included in this report.

Department of Social and Health Services Alcohol & Substance Abuse

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	144,960	220,083	365,043
2013 Supplemental *	-199	6,340	6,141
Total 2011-13 Biennium	144,761	226,423	371,184
2013-15 Maintenance Level	148,499	223,484	371,983
Policy Changes - Other			
1. Federal Medicaid Expansion	-13,736	73,003	59,267
2. Family Drug Court	0	283	283
3. PCAP Expansion	0	5,476	5,476
4. IMD Conversions	-266	4,559	4,293
5. E2SSB 5912	1,237	1,478	2,715
Policy -- Other Total	-12,765	84,799	72,034
Policy Changes - Comp			
6. New Step M for Classified-Yr 1 Impl	42	30	72
7. New Step M for Classified-Yr 2 Impl	3	0	3
8. State Employee Health Insurance	-18	-7	-25
9. Wellness - Smoker Surcharge	-3	-1	-4
10. PEBB - Coverage Waiver Surcharge	-16	-7	-23
Policy -- Comp Total	8	15	23
Total 2013-15 Biennium	135,742	308,298	444,040
Fiscal Year 2014 Total	73,073	134,796	207,869
Fiscal Year 2015 Total	62,669	173,502	236,171

Comments:

- 1. Federal Medicaid Expansion** - Implementation of the Patient Protection and Affordable Care Act (ACA) expands Medicaid eligibility for individuals, between the ages of 19 and 64 with income at or below 133 percent of the federal poverty level, who are not otherwise categorically eligible for Medicaid. It is expected that this newly eligible group will be comprised primarily of adult populations. During the first three years of the expansion, the federal government will provide 100 percent Federal Financial Participation (FFP) for the newly eligible group's medical costs. The FFP will ramp down and after 10 years the federal government will continue to pay 90 percent of the FFP for the newly eligible group. In addition, current Medicaid enrollees in the Presumptive Supplemental Security Income program will receive an enhanced 75 percent federal match because Washington is an "expansion state" under the ACA. Individuals who would have become new enrollees will become newly eligible for Medicaid at 100% federal match. State and federal funding for counties is adjusted to reflect these changes and to reflect offsets in non-Medicaid funding for services to those who will now be eligible for Medicaid. (General Fund-State, General Fund-Federal, Criminal Justice Treatment Account)
- 2. Family Drug Court** - Federal grants provided to Pierce County for family drug court have ended. One-time state funding is provided to continue the court-supervised treatment while the

county transitions these services to other fund sources. (Criminal Justice Treatment Account)

- 3. PCAP Expansion** - Federal appropriation authority is increased to allow the Department of Social and Health Services (DSHS) to expand the Parent Child Assistance Program (PCAP) with federal funds. (General Fund-Federal)
- 4. IMD Conversions** - By July of 2014, DSHS must move or convert a minimum of 128 residential beds in Institutions of Mental Diseases (IMDs) to eight settings that have 16 or fewer beds and are eligible for federal Medicaid funding. One-time start-up funding of \$2.6 million in General Fund-State is provided in FY 2014. These settings must be prioritized for individuals who are eligible for Medicaid including those newly eligible under the ACA. DSHS may pay the same rate in these settings that it is paying in the two pilot sites authorized by the Legislature in the 2012 legislative session. The General Fund-State savings for the 2015-17 biennium associated with this step are estimated at \$5.5 million. (General Fund-State, General Fund-Federal)
- 5. E2SSB 5912** - Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs to reduce impaired driving. For the 2013-15 biennium a total of \$5 million in General Fund-State and \$1.5 million in federal funds are appropriated to the DSHS, the Washington

Department of Social and Health Services Alcohol & Substance Abuse

State Traffic Safety Commission, the Department of Corrections, and special appropriations to the Governor as grants for additional county deputy prosecuting attorney positions. For DSHS, \$1.2 million in General Fund--State and \$1.5 million in federal funds are appropriated to provide court ordered chemical dependency assessment and treatment services for low-income or Medicaid eligible repeat driving-under-the-influence offenders. (General Fund-State, General Fund-Federal)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

6. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
7. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
8. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
9. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

**Department of Social & Health Services
Alcohol & Substance Abuse**

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Assessment										
Avg Monthly Assessments	3,736	3,729	3,741	3,779	3,653	3,605	3,362	3,334	3,826	4,633
% Change from prior year	7.3%	-0.2%	0.3%	1.0%	-3.3%	-1.3%	-6.7%	-0.8%	14.8%	21.1%
Outpatient Treatment										
Avg Monthly Admissions	2,713	2,674	3,162	4,028	4,096	3,845	3,549	3,636	4,172	5,052
% Change from prior year	11.4%	-1.4%	18.3%	27.4%	1.7%	-7.7%	-7.7%	2.4%	14.8%	21.1%
Residential										
Avg Monthly Admissions	1,156	1,228	1,284	1,291	1,180	1,149	1,029	963	1,106	1,339
% Change from prior year	13.4%	6.2%	4.6%	0.6%	-8.6%	-2.7%	-10.4%	-6.4%	14.8%	21.1%

Data Sources :

FY 2006 through FY 2012 actuals data are from Department of Social and Health Services (DSHS) reports.

FY 2013 through FY 2015 workload estimates provided by DSHS.

Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	21,255	107,826	129,081
2013 Supplemental *	-48	-138	-186
Total 2011-13 Biennium	21,207	107,688	128,895
2013-15 Maintenance Level	22,482	102,188	124,670
Policy Changes - Other			
1. Reform Telecommunication Svcs	10,100	-2,775	7,325
Policy -- Other Total	10,100	-2,775	7,325
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	544	0	544
3. New Step M for Classified-Yr 2 Impl	25	0	25
4. State Employee Health Insurance	-105	0	-105
5. Wellness - Smoker Surcharge	-16	0	-16
6. PEBB - Coverage Waiver Surcharge	-93	0	-93
Policy -- Comp Total	355	0	355
Total 2013-15 Biennium	32,937	99,413	132,350
Fiscal Year 2014 Total	16,478	48,325	64,803
Fiscal Year 2015 Total	16,459	51,088	67,547

Comments:

1. **Reform Telecommunication Svcs** - The telephone assistance excise tax and the telecommunication relay service excise tax are eliminated. The Washington Telephone Assistance Program and the administration and services provided through the Office for the Deaf and Hard of Hearing will be supported through biennial general fund appropriations. (General Fund-State and the Telecommunications Devices for the Hearing and Speech Impaired-State)
2. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
3. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
4. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
5. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
6. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social and Health Services Special Commitment Center

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	84,295	0	84,295
2013 Supplemental *	1,970	0	1,970
Total 2011-13 Biennium	86,265	0	86,265
2013-15 Maintenance Level	78,992	0	78,992
Policy Changes - Other			
1. PC Replacement	44	0	44
Policy -- Other Total	44	0	44
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	330	0	330
3. New Step M for Classified-Yr 2 Impl	39	0	39
4. State Employee Health Insurance	-141	0	-141
5. Coll. Bargained Personal Leave Day	115	0	115
6. Wellness - Smoker Surcharge	-21	0	-21
7. PEBB - Coverage Waiver Surcharge	-125	0	-125
Policy -- Comp Total	197	0	197
Policy Changes - Transfers			
8. McNeil Island Stewardship	-7,000	0	-7,000
Policy -- Transfer Total	-7,000	0	-7,000
Total 2013-15 Biennium	72,233	0	72,233
Fiscal Year 2014 Total	36,420	0	36,420
Fiscal Year 2015 Total	35,813	0	35,813

Comments:

1. **PC Replacement** - Funding is provided to replace information technology equipment that is beyond its useful life. Funding is intended to be on-going to cover annual lease costs. (General Fund-State)
2. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
3. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
4. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
5. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days.
6. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
7. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the

Department of Social and Health Services Special Commitment Center

employer funding rate in FY 2015 by approximately \$24 per month.

8. **McNeil Island Stewardship** - The stewardship of McNeil Island and associated funding are transferred to the Correctional Industries program (CI) within the Department of Corrections (DOC). Facility maintenance within the perimeter of the Special Commitment Center and the Pierce County Secure Community Transition Facility will remain the responsibility of the Department of Social and Health Services. Prior to the April 2011 closure of the McNeil Island prison, marine operations, waste water treatment, water treatment, road maintenance, and general island maintenance were the responsibility of DOC. These tasks will revert to DOC as part of CI providing job skills to offenders who are on community supervision or nearing the end of their sentence and preparing to enter local communities. In addition, DOC must utilize the CI workforce to provide the minimum maintenance and preservation necessary to remain in compliance with the federal deed for McNeil Island. Fire department and security functions will remain with the Special Commitment Center.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Department of Social & Health Services
Special Commitment Center**

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	Estimated		
								2013	2014	2015
Special Commitment Center - Main Facility										
Avg Daily Population/Month	232	251	270	277	280	281	282	272	278	278
% Change from prior year	10.0%	8.2%	7.6%	2.6%	1.1%	0.4%	0.4%	-3.7%	2.3%	0.0%
Special Commitment Center - Less Restrictive Alternatives ⁽¹⁾										
Avg Daily Population/Month	11	12	13	14	16	20	21	23	20	21
% Change from prior year	0.0%	9.1%	8.3%	7.7%	14.3%	25.0%	6.3%	6.3%	-9.5%	2.9%

⁽¹⁾ Includes persons in less restrictive alternative placements on McNeil Island and other locations. Beginning in FY 2002, funding for County Commitment Program beds was eliminated.

Data Sources :

FY 2006 through FY 2011 data are from Department of Social and Health Services Executive Management Information System reports.

FY 2012 through FY 2015 data are from legislative fiscal staff.

Department of Social and Health Services Administration & Supporting Services

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	50,543	46,478	97,021
2013 Supplemental *	1,827	2,540	4,367
Total 2011-13 Biennium	52,370	49,018	101,388
2013-15 Maintenance Level	60,308	40,231	100,539
Policy Changes - Other			
1. Improving Service Delivery	623	335	958
2. Diabetes Prevention	126	28	154
Policy -- Other Total	749	363	1,112
Policy Changes - Comp			
3. New Step M for Classified-Yr 1 Impl	844	88	932
4. New Step M for Classified-Yr 2 Impl	41	4	45
5. State Employee Health Insurance	-180	-24	-204
6. Wellness - Smoker Surcharge	-27	-4	-31
7. PEBB - Coverage Waiver Surcharge	-161	-22	-183
Policy -- Comp Total	517	42	559
Policy Changes - Transfers			
8. Transfer Office of Juvenile Justice	-2,114	-2,832	-4,946
Policy -- Transfer Total	-2,114	-2,832	-4,946
Total 2013-15 Biennium	59,460	37,804	97,264
Fiscal Year 2014 Total	30,127	18,938	49,065
Fiscal Year 2015 Total	29,333	18,866	48,199

Comments:

1. **Improving Service Delivery** - Staff and funding are provided to implement Chapter 320, Laws of 2013 (ESHB 1519) and Chapter 338, Laws of 2013 (2SSB 5732). This legislation requires the use of evidence-based practices and the creation of performance measures for service coordination organizations. (General Fund-State, General Fund-Federal)
2. **Diabetes Prevention** - Staff and funding are provided for the Health Care Authority, Department of Social and Health Services (DSHS), and the Department of Health to collaborate to identify goals, benchmarks, and plans for preventing and controlling diabetes. (General Fund-State, General Fund-Federal)
3. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
4. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
5. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
6. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
7. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers

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Administration & Supporting Services

who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

8. **Transfer Office of Juvenile Justice** - Staff and funding for the Office of Juvenile Justice are transferred from the DSHS Administration and Supporting Services Division to the Juvenile Rehabilitation Administration to reflect internal agency restructuring. (General Fund-State, General Fund-Federal, General Fund-Local)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	108,443	53,049	161,492
2013 Supplemental *	3,281	360	3,641
Total 2011-13 Biennium	111,724	53,409	165,133
2013-15 Maintenance Level	120,474	55,044	175,518
Policy Changes - Other			
1. Attorney General Legal Services	-420	-180	-600
2. Administrative Hearings	147	64	211
3. CTS Central Services	1,776	764	2,540
4. DES Central Services	-996	-428	-1,424
Policy -- Other Total	507	220	727
Total 2013-15 Biennium	120,981	55,264	176,245
Fiscal Year 2014 Total	60,470	27,657	88,127
Fiscal Year 2015 Total	60,511	27,607	88,118

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Other Human Services

Low-Income Medical Assistance

A total of \$12.3 billion is provided to pay for medical and dental services for an average of 1.5 million low-income children and adults each month by the end of the 2013-15 biennium. This is a \$2.3 billion (23 percent) increase from the funding levels provided in the 2011-13 biennium for these services. Of the \$12.3 billion, \$4.9 billion are state funds; \$7.2 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the \$4.9 billion in state funds, \$4.2 billion is from the state general fund and \$669 million is from the Hospital Safety Net Assessment Fund created in 2010. The state general fund spending is \$180 million (4 percent) more than the 2011-2013 biennium, but \$502 million (11 percent) less than the amount needed to maintain current service coverage and payment policies through 2015.

Washington will exercise the option under the federal Affordable Care Act (ACA) to expand the Medicaid program to cover adults under 65 years of age with incomes at or below 133 percent of the federal poverty level (FPL) effective January 1, 2014. Full Medicaid expansion is expected to increase the number of people covered by the state Medicaid program by approximately 235,000 in 2015. This is a 22 percent increase over the current forecasted levels for 2015 without the Medicaid expansion.

Approximately \$351 million in state general fund savings is anticipated in the 2013-15 biennium as a result of the Medicaid expansion under the ACA. During the first three years of the Medicaid expansion, the federal government will provide a 100 percent match for the newly eligible group's medical costs. The Health Care Authority (HCA) and other state agencies will phase out various state-funded programs or streamline and reduce duplicate coverage and services provided under the ACA. These programs and services are provided across several agencies including HCA (\$262 million), the Department of Social and Health Services (DSHS) (\$77 million), the Department of Health (DOH) (\$8.3 million), the Department of Corrections (DOC) (\$2.2 million), and the Department of Labor and Industries (\$1 million). Clients can enroll in Medicaid under the expansion with a 100 percent federal match, or they can enroll in subsidized coverage through the Washington Health Benefit Exchange if their incomes are above 133 percent of the FPL.

The Hospital Safety Net Assessment (HSNA) Program, set to expire at the end of fiscal year 2013, was established to generate additional state and federal funding to support payments to hospitals for Medicaid services. As provided in Chapter 17, Laws of 2013, 2nd sp.s. (ESSB 5913), the HSNA Program will continue until the end of fiscal year 2017 with an incremental phase-down beginning in fiscal year 2016. Instead of increased inpatient and outpatient payment rates, hospital assessment funds will be used to provide supplemental payments and increased managed care premiums for hospital services. The state general fund appropriation is reduced by \$272 million as a result.

Approximately \$72 million (\$23 million in state funds) are appropriated to restore coverage for preventive and restorative dental services and dentures for currently eligible and newly eligible Medicaid adults.

Department of Health

The DOH has a total budget of \$1 billion (\$119.4 million General Fund-State) to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory.

Fewer clients are expected to enroll in the DOH HIV Client Services and Breast, Cervical, and Colon Health programs after the clients become eligible for health insurance under the federal ACA. Funding is reduced by \$13.1 million (\$8.4 General Fund-State) to reflect the anticipated decrease in demand for these programs.

The budget collapses the three disparate public health funding streams into a single block grant dispersed through the Office of the State Treasurer. A total of \$760,000 in savings is achieved by reducing DOH programmatic and administrative functions tied to the public health distributions.

In addition:

- Savings of \$5.8 million is anticipated by increasing the use of dedicated funds in lieu of state general fund (HIV Drug Rebates, \$3.4 million and Public Health Laboratories, \$2.4 million).
- A total of \$5 million in Health Professions Account-State expenditure authority was added for enacted legislation and other programs.

Department of Corrections

A total of \$1.7 billion is provided to DOC for prisons and community supervision of offenders. The prison system is budgeted to provide incarceration for a monthly average of 17,088 prison and work release inmates and 522 offenders who have violated the terms of their community supervision. The community program is budgeted to provide supervision to a monthly average of 15,460 offenders who have either received sentencing alternatives or have served the confinement portion of their sentences and have been released into the community. This funding level represents an increase of \$60.2 million (3.7 percent) from the 2011-13 biennium, and an increase of \$3.8 million (0.2 percent) from the 2013-15 maintenance level.

A total of \$5.3 million is provided for prison safety enhancements consistent with recommendations by the Statewide Security Advisory Committee. These include increased correctional officer staffing levels in medium security housing units on day shift and stand-alone minimum security facilities on graveyard shift; upgrades and improvements to radio, security, and telephone systems at several institutions; and the replacement of ballistic and stab-resistant protective gear for prison staff.

A total of \$3.6 million is provided to align housing and placement with the specific health and safety needs of certain prison populations. This includes expanded use of the sex offender risk assessment to improve classification and programming for this population; additional mental health staffing to provide specialized housing for offenders with developmental disabilities, traumatic brain injuries, or mental health needs; funding to improve treatment for inmates with Hepatitis C; and two additional dental hygienists at prison locations where currently there are no on-site dental programs.

Savings of \$11.5 million are achieved from policy changes to reduce the forecasted Average Daily Population (ADP) and decrease the demand for prison beds. The savings include:

- \$7.8 million related to delaying the opening of one of two new medium security units at the Washington State Penitentiary. Increased residential beds for the Drug Offender Sentencing Alternative (DOSA) are expected to reduce the ADP by 272 beds. In addition, DOC is authorized to rent local jail beds for short-term offenders who have 120 days or fewer remaining on their sentence when they would otherwise transfer from jail to DOC. When this policy is fully implemented, approximately 290 fewer offenders will go through the reception process annually, reducing the need for DOC capacity by an additional 52 beds. DOC is also authorized to rent up to 300 local jail beds, at no net cost to the DOC, for medium or lower security offenders.
- \$3.7 million pursuant to Chapter 13, Laws of 2013, 2nd sp.s. (2ESSB 5892) which modifies the Drug Sentencing Grid and requires DOC to standardize the way earned release is calculated for felony offenders transferring in from jails so that the earned release for pre-sentence time served in jails is consistent with the rate applicable to DOC offenders. These policies are anticipated to reduce the growing demand for prisons by 177 beds.

One-time savings of \$4.7 million are assumed as DOC revamps the way programming is provided to offenders in prisons and in community supervision to be based on a Risk-Needs-Responsivity model. Some of the one-time savings from under-expenditures are temporarily used to consult with the Washington State Institute for Public Policy on evidence-based, research-based programming and to hire a consultant who can facilitate and provide project expertise on the implementation plan and timeline.

A total of \$7 million is transferred from the Department of Social and Health Services (DSHS) to DOC to provide stewardship of McNeil Island. The United States General Services Administration has said the state is out of compliance with its correctional use deed and has expressed concern about the lack of maintenance of the property. Prior to the April 2011 closure of the McNeil Island prison, marine operations, waste water treatment, water treatment, road maintenance, and general island maintenance were the responsibility of DOC. These tasks will revert to DOC as part of the Correctional Industries (CI) program, utilizing and providing job skills to offenders who are on community supervision or nearing the end of their sentence and preparing to enter local communities while also providing the minimum maintenance and preservation necessary to remain in compliance with the federal deed for McNeil Island. The Special Commitment Center operated by DSHS remains funded at \$6.2 million for island costs including operating the fire department and island security functions.

Criminal Justice Training Commission

A total of \$28.4 million is provided from the General Fund-State to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs; this funding reflects a 1.1 percent reduction from the 2011-13 biennium. The budget assumes funding for nine basic law enforcement academies in fiscal year 2014 and nine academies in fiscal year 2015.

Savings of \$2 million is realized from elimination of grant funding to three rural areas historically underserved by federally funded narcotics task forces. These three narcotic task forces were originally created as pilots pursuant to Chapter 339, Laws of 2006 (E2SSB 6239). The Legislature had continued to provide grant funding during the 2011-13 biennium for these pilot task forces after they expired statutorily on June 30, 2010.

Employment Security Department

The Employment Security Department has a total budget of \$682.9 million to administer Washington's unemployment insurance system, operate the WorkSource system, operate the Washington Service Corps, and conduct labor market and economic analysis.

As a result of Chapter 26, Laws of 2013, 2nd sp.s. (HB 2044), which suspends the Family Leave Insurance Program until the Legislature appropriates funding and enacts an implementation date, \$13.6 million in state general fund savings are achieved in the 2013-15 biennium. Family Leave Insurance would provide leave time and a weekly benefit to eligible employees caring for a newborn or newly adopted child.

A total of \$12.4 million in federal funds are provided to complete the replacement of the unemployment insurance tax information computer system.

Department of Labor and Industries

The Department of Labor and Industries has a total budget of \$656.8 million to administer Washington's Workers' Compensation System, manage the Occupational Health and Safety Program, operate the Crime Victims' Compensation Program, and regulate building practices.

A total of \$8.6 million from dedicated accounts is provided to enhance the Workers' Compensation System by increasing medical management staff, offering claimants electronic benefit payments, and developing an online reference tool to assist in claims decisions.

The Crime Victims' Compensation Program is reduced by \$1 million in state general funds to reflect the anticipated decrease in demand for medical benefits when more individuals become eligible for health insurance under the ACA.

Department of Veterans' Affairs

A total of \$133 million in total funds is provided for veterans' services for soldiers and their families. This represents an increase of 13.5 percent in total funds from the 2011-13 biennium. Of the increased appropriation, \$6.7 million is provided for the operation of the new Walla Walla State Veterans Home, which will begin accepting clients in July 2014.

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	4,065,446	6,141,794	10,207,240
2013 Supplemental *	76,538	33,823	110,361
Total 2011-13 Biennium	4,141,984	6,175,617	10,317,601
2013-15 Maintenance Level	4,747,810	5,593,987	10,341,797
Policy Changes - Other			
1. HealthPath Washington	-4,214	0	-4,214
2. Restore Hospital Safety Net	-272,361	1,186,444	914,083
3. Federal Medicaid Expansion	-262,469	1,093,241	830,772
4. Language Access Provider Agreement	434	173	607
5. Prescription Monitoring Program	0	100	100
6. Attorney General Legal Services	-2	-2	-4
7. Administrative Hearings	14	15	29
8. CTS Central Services	103	116	219
9. DES Central Services	-19	-23	-42
10. Health Benefit Exchange Operations	0	16,359	16,359
11. Medicaid Eligibility Determination	3,227	14,376	17,603
12. Health Information Technology	586	170,561	171,147
13. Health Information Exchange Grant	430	500	930
14. HBE Cost Allocation	2,486	11,633	14,119
15. Inpatient and Outpatient Rebase	0	566	566
16. International Class. of Diseases	0	10,873	10,873
17. Medicaid IT Architecture Assessment	146	359	505
18. Autism Services	4,723	4,723	9,446
19. ProviderOne Phase 2 Project	1,811	10,803	12,614
20. Bree Collaborative	124	126	250
21. Improving Service Delivery	291	292	583
22. Newborn Screening	243	243	486
23. Nurse Practitioners	313	313	626
24. Premium Assistance and BHP Report	75	75	150
25. Professional Services Supp. Payment	0	38,000	38,000
26. Rural Health Clinics	3,645	40	3,685
27. Foster Care and Adoption	-1,686	651	-1,035
28. Adult Dental	23,319	49,221	72,540
29. 12 Month Dispensing	-4,426	-4,426	-8,852
30. Medicaid Benefit Alignment	759	759	1,518
31. Medicaid Fraud Penalty	-1,500	1,500	0
32. Apple Health Hotline	40	40	80
33. Sole Community Hospitals	1,000	800	1,800
34. Child Premiums	714	0	714
35. School Nurses	25	25	50
36. Diabetes Prevention	97	65	162
Policy -- Other Total	-502,072	2,608,541	2,106,469
Policy Changes - Comp			
37. New Step M for Classified-Yr 1 Impl	290	480	770
38. New Step M for Classified-Yr 2 Impl	2	9	11
39. State Employee Health Insurance	-134	-211	-345
40. Wellness - Smoker Surcharge	-20	-30	-50
41. PEBB - Coverage Waiver Surcharge	-119	-189	-308
Policy -- Comp Total	19	59	78
Total 2013-15 Biennium	4,245,757	8,202,587	12,448,344

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-P	Other	Total
Fiscal Year 2014 Total	2,131,026	3,813,929	5,944,955
Fiscal Year 2015 Total	2,114,731	4,388,658	6,503,389

Comments:

1. **HealthPath Washington** - HealthPath Washington is a demonstration project that allows the Health Care Authority and the Department of Social and Health Services to establish a care management program for high-cost and high-risk Medicare and Medicaid enrollees. Coordination of services across Medicare and Medicaid is expected to result in savings in the Health Care Authority. The demonstration project is scheduled to begin April 1, 2013, and will continue until December 31, 2016. (General Fund-State, General Fund-Federal)
2. **Restore Hospital Safety Net** - The Hospital Safety Net Assessment (HSNA) program is set to expire on July 1, 2013. This program generates additional state and federal funding to support payments to hospitals for Medicaid services. Pursuant to Chapter 17, Laws of 2013, 2nd sp.s. (ESSB 5913), the HSNA program will continue in the 2013-15 biennium. Instead of increased inpatient and outpatient payment rates, hospital assessment funds will be used to provide supplemental payments and increased managed care premiums for hospital services. Savings are achieved by allowing the state to use assessment funds in lieu of the state general fund for Medicaid hospital services. The assessment and increased hospital and managed care payments will incrementally decrease starting in FY 2016 down to zero by June 30, 2019. (General Fund-State, General Fund-Federal, Hospital Safety Net Assessment Account-State)
3. **Federal Medicaid Expansion** - The state will exercise its option under the federal Affordable Care Act to expand Medicaid eligibility to individuals between the ages of 18 and 65 with incomes up to 133 percent of the federal poverty level (FPL) who are not otherwise categorically eligible for Medicaid. During the first three years of the expansion, the federal government will provide a 100 percent match for the newly eligible group's medical costs. The federal match will decrease gradually until 2020, when the federal government will continue to pay 90 percent for the newly eligible group. In the transition to the expansion, the Health Care Authority will phase out various programs described below. In most cases, clients in these programs with incomes up to 133 percent of the FPL will enroll under the Medicaid expansion with a 100 percent federal match. Clients with incomes above 133 percent of the FPL will be able to purchase subsidized coverage through the Washington Health Benefit Exchange (Exchange). The Presumptive Supplemental Security Income program will be eliminated. This program provides Medicaid coverage for approximately 20,000 clients with long-term medical conditions that make them likely to meet federal disability criteria, but their federal disability determinations are pending. The federal government provides a 50 percent match for this program. Washington will receive an enhanced 75 percent federal match for currently enrolled clients because Washington is an "expansion state" under the Affordable Care Act. The Medical Care Services program, which provides medical benefits for approximately 9,000 persons who are physically or mentally disabled and cannot work for 90 days from the date of application, will be eliminated for clients that are eligible for Medicaid under the expansion. The Alcoholism and Drug Addiction Treatment and Support Act, which provides coverage to approximately 4,400 individuals participating in drug or alcohol treatment, will be eliminated. The Breast and Cervical Cancer Treatment (BCCT) program, which covers treatment for approximately 1,000 women diagnosed with breast or cervical cancer with incomes under 300 percent of the FPL, will be eliminated. Clients with incomes over 133 percent of the FPL that are already enrolled in the BCCT program as of January 1, 2014, will retain state-only coverage throughout the course of their treatments. The state-subsidized Basic Health Plan (BHP) will be eliminated upon implementation of the Medicaid expansion. The BHP provides subsidized health care coverage through private health plans to Washington residents with incomes below 200 percent of the FPL. If coverage through the BHP continued, it would cover an average of 25,500 individuals in the 2013-15 biennium. The unsubsidized Washington Health Program, which provides benefits similar to the BHP without state subsidies, will also be eliminated. The federal Health Coverage Tax Credit (HCTC) program, which is a federal tax credit that pays 72.5 percent of the health plan premium for eligible people enrolled in qualified health plans, will be eliminated. In Washington, the BHP is a "qualified health plan" designated to offer HCTC coverage. Federally subsidized health plans offered through the Exchange will replace the Washington Health and HCTC programs. Enrollment in the Take Charge Family Planning program is expected to decrease as a result of the Medicaid expansion. Take Charge provides family planning services for approximately 43,000 clients with incomes up to 250 percent of the FPL. Under the Medicaid expansion, clients with incomes up to 133 percent of the FPL can receive these services by enrolling in Medicaid, and those with incomes between 134 and 250 percent of the FPL can receive these services through subsidized coverage in the Exchange. (General Fund-State, General Fund-Federal, Basic Health Plan Trust Account-Nonappropriated, Basic Health Plan Subscription Account-Nonappropriated)
4. **Language Access Provider Agreement** - Pursuant to the 2013-15 collective bargaining agreement for language access providers, funding is provided for a change to no-show payment rules and rate increases of 50 cents per hour on July 1, 2013, and 50 cents per hour on July 1, 2014. (General Fund-State, General Fund-Federal)
5. **Prescription Monitoring Program** - The Prescription Monitoring Program (PMP) helps practitioners identify and prevent abuse, misuse, duplication and forgery of prescriptions, as well as dangerous drug interactions. Federal grant funding was used to develop the program within the Department of

Washington State Health Care Authority

- Health (DOH). These federal grants are not ongoing and will be fully depleted by June 2013. Funding is provided to DOH for the continuation of the PMP and local appropriation authority is provided to the Health Care Authority to claim eligible federal funding. (General Fund-Private/Local).
6. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund - State, Other Funds)
 7. **Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (General Fund - State, Other Funds)
 8. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
 9. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund - State, Other Funds)
 10. **Health Benefit Exchange Operations** - Funding is provided to support the operations of the Washington Health Benefit Exchange pursuant to Chapter 6, Laws of 2013, 2nd sp.s. (ESHB 1947). (Health Benefit Exchange Account-State)
 11. **Medicaid Eligibility Determination** - Staff and funding are provided to implement new eligibility requirements, including the modified adjusted gross income standard, under the federal Affordable Care Act. (General Fund-State, General Fund-Federal)
 12. **Health Information Technology** - Funding is provided to issue federally-funded incentive payments, manage the provider incentive program, and plan and launch other initiatives related to the State Health Information Technology Medicaid Plan in the 2013-15 biennium. Funding continues for the current Electronic Health Record Incentive Program. (General Fund-State, General Fund-Federal)
 13. **Health Information Exchange Grant** - One-time funding is provided to complete grant requirements for the Health Information Exchange, which was implemented using funds awarded through the American Recovery and Reinvestment Act Health Information Technology for Economic and Clinical Health Act of 2009. (General Fund-State, General Fund-Federal)
 14. **HBE Cost Allocation** - Funding is provided to the Health Care Authority for the Medicaid and Children's Health Insurance Program's share of costs allocated from the Washington Health Benefits Exchange. (General Fund-State, General Fund-Federal)
 15. **Inpatient and Outpatient Rebase** - Funding is provided for an expert contractor to rebase outpatient and inpatient payment methods. Rebasing will change payment methods and achieve compliance with upcoming International Classification of Diseases technology requirements. (Medicaid Fraud Penalty Account-State, General Fund-Federal)
 16. **International Class. of Diseases** - Funding is provided to implement the federally mandated conversion to the tenth version of the World Health Organization's International Classification of Diseases (ICD-10). The ICD-10 is a method of coding a patient's state of health and institutional procedures for efficient handling in data systems. This version of classification will provide greater granularity in the definition of disease severity and associated health risk. (Medicaid Fraud Penalty Account-State, General Fund-Federal)
 17. **Medicaid IT Architecture Assessment** - Funding is provided to update the federally-mandated Medicaid Information Technology Architecture (MITA) State Self-Assessment and to develop and implement the five-year road map for the MITA architect. The Health Care Authority will have ongoing responsibility to oversee implementation of the roadmap, maintain business process models, and prepare annual updates as required by the federal Centers for Medicare and Medicaid Services. (General Fund-State, General Fund-Federal)
 18. **Autism Services** - Funding is provided to add Applied Behavioral Analysis therapy as a covered mental health service for children 20 years of age and younger who are members of the Apple Health for Kids program. These services are provided in response to the negotiated settlement agreement from legal action taken against the Health Care Authority in *Washington Autism Alliance and Advocacy vs. Porter*. The services are intended to ameliorate the core symptoms of conditions classified as autism spectrum disorders, improve functioning in communication, and enhance behavior and social skills. This item includes interpreter services and transportation costs associated with delivering these services. (General Fund-State, General Fund-Federal)
 19. **ProviderOne Phase 2 Project** - Funding is provided to complete phase two of the ProviderOne project and to support ongoing operations and maintenance costs once the project has been completed. Phase two consolidates Medicaid expenditures to include approximately \$2 billion in Medicaid payments for home and community-based services. (General Fund-State, General Fund-Federal)
 20. **Bree Collaborative** - The Robert Bree Collaborative (Collaborative) is a consortium of public and private health care purchasers, health carriers, and providers working together to identify concerns with quality and variation in health care and recommend evidence-based strategies for improvement. Funding is provided for the Health Care Authority and the Collaborative to subcontract for dissemination of evidence-based best practices for preventing and treating health problems. (General Fund-State, General Fund-Federal)

Washington State Health Care Authority

21. **Improving Service Delivery** - Staff and funding are provided to implement Chapter 320, Laws of 2013 (ESHB 1519) and Chapter 338, Laws of 2013 (SSSB 5732). These bills require the use of evidence-based practices and the creation of performance measures for service coordination organizations. (General Fund-State, General Fund-Federal)
22. **Newborn Screening** - The Department of Health will add a screening for Severe Combined Immunodeficiency Disease to the state newborn screening program. Fees paid by the facilities of birth to fund these screenings will increase from \$60.90 to \$69 per child. The additional fees will be included in rebased inpatient hospital rates effective January 2014. (General Fund-State, General Fund-Federal)
23. **Nurse Practitioners** - Funding is provided to increase reimbursement rates for primary care services provided by independent nurse practitioners to Medicare levels from July 1, 2013, to December 31, 2014. (General Fund-State, General Fund-Federal)
24. **Premium Assistance and BHP Report** - Funding is provided to the Health Care Authority to prepare options with an expert consultant for possible implementation of a targeted premium assistance program and possible implementation of the federal Basic Health Plan option. (General Fund-State, General Fund-Federal)
25. **Professional Services Supp. Payment** - Funding is provided to expand the current Professional Services Supplemental Payment (PSSP) program to include services provided to managed care enrollees. The PSSP program provides supplemental payments for professional services delivered by providers that are employed or affiliated with the University of Washington or employed by a public hospital that has elected to participate. Payments to participating providers are processed through an intergovernmental transfer program in which the providers are invoiced for the state share of the payments and the Health Care Authority returns the state share with federal matching funds to the providers. (General Fund-Private/Local, General Fund-Federal)
26. **Rural Health Clinics** - Staff and funding are provided to support Medicaid services provided by Rural Health Clinics (RHC). The Health Care Authority will use the funds to proportionally reduce the amounts that RHCs owe under the calendar year 2009 recoupment. The Health Care Authority will also implement a new administratively streamlined payment method for managed care payments to Federally Qualified Health Centers and RHCs. (General Fund-State, General Fund-Federal)
27. **Foster Care and Adoption** - Approximately 87 percent of foster children and adopted children receive medical care through the Health Care Authority on a fee-for-service basis. Starting January 1, 2014, the Health Care Authority will achieve savings by transitioning foster children and adoptive children to coverage provided by managed care organizations. (General Fund-State, General Fund-Federal)
28. **Adult Dental** - Funding is provided to restore dental services for currently eligible and newly eligible Medicaid adults. (General Fund-State, General Fund-Federal)
29. **12 Month Dispensing** - Savings and efficiencies are achieved by modifying the dispensing methods of contraceptive drugs. The Health Care Authority will make arrangements for all Medicaid programs offered through managed care plans or on a fee-for-service basis to require dispensing of contraceptive drugs with up to a one-year supply provided at one time. Contracts with managed care plans will allow on-site dispensing of the prescribed contraceptive drugs at family planning clinics. Dispensing practices will follow clinical guidelines for appropriate prescribing and dispensing to ensure the health of the patient while maximizing access to effective contraceptive drugs. (General Fund-State, General Fund-Federal)
30. **Medicaid Benefit Alignment** - Funding is provided to increase benefits for current medical assistance enrollees to partially match the additional benefits that will be provided under the Alternative Benefit Plan for newly eligible clients under the Medicaid expansion. The Health Care Authority will remove the mental health visit limit and provide coverage for the shingles vaccine and screening, brief intervention, and referral to treatment services. (General Fund-State, General Fund-Federal)
31. **Medicaid Fraud Penalty** - Funding is provided on a one-time basis from the Medicaid Fraud Penalty Account for Medicaid services. (General Fund-State, Medicaid Fraud Penalty Account-State)
32. **Apple Health Hotline** - Funding is provided to enhance and continue operation by a nonprofit organization of a toll-free phone line that helps families learn about and enroll in Apple Health for Kids, which provides publicly-funded medical and dental care for children in families with incomes below 300 percent of the federal poverty level. (General Fund-State, General Fund-Federal)
33. **Sole Community Hospitals** - Funding is provided for disproportionate share hospital payments to support Medicaid services provided by private hospitals that are federally designated as "sole community hospitals" (SCH). The Health Care Authority will also provide grants to public SCHs in Clallam County. (General Fund-State, General Fund-Federal)
34. **Child Premiums** - The requirement that children in families with incomes above 200 percent of the federal poverty level (FPL) that are not eligible for the federal Children's Health Insurance Program must pay monthly premiums equal to the average state share of the cost of coverage is eliminated. These children will pay the standard Apple Health for Kids premiums. Children from 200 to 249 percent of the FPL will pay \$20, and children from 250 to 300 percent of the FPL will pay \$30. (General Fund-State, General Fund-Private/Local)
35. **School Nurses** - Funding is provided to the Health Care Authority and the Office of the Superintendent of Public Instruction to develop recommendations for funding integrated

Washington State Health Care Authority

school nursing and outreach services. (General Fund-State, General Fund-Federal)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

36. **Diabetes Prevention** - Staff and funding are provided for the Health Care Authority, the Department of Social and Health Services, and the Department of Health to collaborate to identify goals, benchmarks, and plans for preventing and controlling diabetes. (General Fund-State, State Health Care Authority Administrative Account-State, General Fund-Federal)
37. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund - State, Other Funds)
38. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
39. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
40. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
41. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Health Care Authority

Low-Income Medical Assistance

WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	Estimated	
									2014	2015
Medicaid Categorically Needy	838,443	844,805	855,043	908,403	992,061	1,042,904	1,062,140	1,077,887	1,118,256	1,171,843
AFDC/TANF	283,290	267,408	251,975	264,242	290,308	303,814	299,436	285,727	288,968	301,196
Elderly	56,467	57,038	57,646	58,070	59,650	61,282	62,877	65,334	67,592	69,973
Disabled	129,667	132,469	136,018	140,738	148,256	154,190	158,380	166,088	173,126	178,654
Non-AFDC Children	329,580	344,173	363,339	397,244	444,029	471,510	487,602	504,848	530,706	561,856
Non-AFDC Pregnant Women	27,589	28,470	29,143	29,671	29,804	30,008	29,269	29,425	29,402	29,905
Medicare Beneficiaries	10,689	13,771	15,201	16,463	17,629	19,386	21,981	23,936	26,307	28,599
Breast & Cervical Cancer	375	495	565	655	812	998	1,034	1,050	709	214
Medicaid Buy-In	787	981	1,157	1,320	1,572	1,716	1,562	1,479	1,447	1,444
Medicaid Expansion Adults	0	0	0	0	0	0	0	0	87,544	221,412
Medicaid Medically Needy	16,536	13,590	13,567	12,984	12,337	12,856	13,141	12,775	11,871	10,164
Elderly	6,150	5,232	5,159	5,040	4,961	5,010	4,746	4,171	4,056	4,042
Disabled	10,385	8,358	8,409	7,945	7,376	7,846	8,395	8,603	7,814	6,123
State Children's Health Insurance Program (CHIP)	11,786	11,406	11,974	14,469	19,290	23,807	25,154	26,323	34,323	46,328
Federal Refugee Assistance	754	732	674	758	929	788	714	791	777	777
State Medical Care Services	18,511	27,219	41,443	47,078	47,220	46,166	37,630	32,855	25,968	18,616
Undocumented Children	2,528	10,127	23,567	27,564	26,212	24,791	21,511	19,477	18,786	18,616
Disability Lifeline & ADATSA	15,982	17,093	17,876	19,514	21,008	21,375	16,119	13,378	7,182	0
Basic Health Plan	100,444	102,118	104,792	103,590	76,079	52,274	36,955	30,014	13,011	0
Total Eligibles per Month	986,472	999,871	1,027,493	1,087,282	1,147,916	1,178,794	1,175,735	1,180,644	1,291,750	1,469,141
% Change from prior year	3.2%	1.4%	2.8%	5.8%	5.6%	2.7%	-0.3%	0.4%	9.4%	13.7%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Human Rights Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	3,947	1,893	5,840
2013-15 Maintenance Level	4,063	1,961	6,024
Policy Changes - Other			
1. Service Animal Investigations	0	218	218
2. Attorney General Legal Services	-5	0	-5
3. CTS Central Services	5	0	5
4. DES Central Services	-2	0	-2
Policy -- Other Total	-2	218	216
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	22	14	36
6. New Step M for Classified-Yr 2 Impl	2	1	3
7. State Employee Health Insurance	-6	-4	-10
8. Wellness - Smoker Surcharge	-1	-1	-2
9. PEBB - Coverage Waiver Surcharge	-5	-4	-9
Policy -- Comp Total	12	6	18
Total 2013-15 Biennium	4,073	2,185	6,258
Fiscal Year 2014 Total	2,077	1,115	3,192
Fiscal Year 2015 Total	1,996	1,070	3,066

Comments:

1. **Service Animal Investigations** - Expenditure authority is provided for additional financial resources from the United States Department of Housing and Urban Development for the investigation of discrimination cases involving service animals. (General Fund-Federal)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
6. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
7. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the

Human Rights Commission

employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	39,209	39,209
2013-15 Maintenance Level	0	39,243	39,243
Policy Changes - Other			
1. Attorney General Legal Services	0	-2	-2
2. CTS Central Services	0	94	94
3. DES Central Services	0	-13	-13
Policy -- Other Total	0	79	79
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	0	304	304
5. New Step M for Classified-Yr 2 Impl	0	16	16
6. State Employee Health Insurance	0	-52	-52
7. Wellness - Smoker Surcharge	0	-8	-8
8. PEBB - Coverage Waiver Surcharge	0	-46	-46
Policy -- Comp Total	0	214	214
Total 2013-15 Biennium	0	39,536	39,536
Fiscal Year 2014 Total	0	19,767	19,767
Fiscal Year 2015 Total	0	19,769	19,769

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	28,736	13,709	42,445
2013 Supplemental *	357	-108	249
Total 2011-13 Biennium	29,093	13,601	42,694
2013-15 Maintenance Level	31,124	10,958	42,082
Policy Changes - Other			
1. Drug Task Forces	-2,000	0	-2,000
2. Attorney General Legal Services	-3	0	-3
3. CTS Central Services	7	0	7
4. DES Central Services	-2	0	-2
5. Partial BLEA Reimbursement	-1,552	1,552	0
6. Crisis Intervention Training	330	0	330
7. Driving Simulator	246	-246	0
8. EVOC Training	58	0	58
9. Jail Booking and Reporting System	162	0	162
10. Vendor Rate Increase	43	0	43
Policy -- Other Total	-2,711	1,306	-1,405
Policy Changes - Comp			
11. New Step M for Classified-Yr 1 Impl	22	0	22
12. New Step M for Classified-Yr 2 Impl	2	0	2
13. State Employee Health Insurance	-10	0	-10
14. Wellness - Smoker Surcharge	-2	0	-2
15. PEBB - Coverage Waiver Surcharge	-9	0	-9
Policy -- Comp Total	3	0	3
Total 2013-15 Biennium	28,416	12,264	40,680
Fiscal Year 2014 Total	14,257	6,131	20,388
Fiscal Year 2015 Total	14,159	6,133	20,292

Comments:

- Drug Task Forces** - Rural Drug Task Force grant funding is eliminated effective July 1, 2013.
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Partial BLEA Reimbursement** - Funding is reduced to reflect a 25 percent partial reimbursement of the Basic Law Enforcement Academy (BLEA) costs for law enforcement agencies that send cadets for training, and for local reimbursement of ammunition costs. (General Fund-Private/Local)
- Crisis Intervention Training** - Funding is provided to implement eight hours of crisis intervention training into the BLEA and to provide an eight-hour optional in-service curriculum for officers already in the field.
- Driving Simulator** - Funding is shifted from General Fund-Private/Local to General Fund-State for the costs of using driving simulators for statewide advanced driver training. (General Fund-State, General Fund-Private/Local)
- EVOC Training** - Funding is provided for the costs of conducting 40 hours of Emergency Vehicle Operator Course (EVOC) training at the Washington State Patrol academy for cadets attending the BLEA. In the 2012 supplemental operating budget, funding had been reduced to perform some of this training in-house.
- Jail Booking and Reporting System** - The Washington Association of Sheriffs and Police Chiefs (WASPC) contracts with a vendor to operate the state Jail Booking and Reporting System (JBRS) which integrates county and city jail information systems. JBRS is funded in the Criminal Justice Training Commission budget. The Department of Revenue has determined that JBRS is a digital good subject to sales tax

Washington State Criminal Justice Training Commission

pursuant to RCW 82.04.257 and that the vendor is required to pay sales tax on JBRS rather than business and operating taxes. The ongoing tax is identified as \$162,000 each biennium. Since WASPC is the "end user," WASPC will be billed for this sales tax by the vendor.

10. **Vendor Rate Increase** - Funding is provided to cover the cost of the increased daily meal rate charged by the training facility food vendor, \$0.69 per person in FY 2014 and \$1.40 per person in FY 2015.
11. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
12. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
13. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
14. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
15. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	35,312	597,296	632,608
2013-15 Maintenance Level	34,068	605,826	639,894
Policy Changes - Other			
1. Vancouver Office Move	0	649	649
2. Vocational Rehabilitation Pilot	0	1,336	1,336
3. Attorney General Legal Services	-5	2,971	2,966
4. Administrative Hearings	4	3	7
5. CTS Central Services	5	488	493
6. DES Central Services	-1	-159	-160
7. Transportation Improvement Projects	0	287	287
8. Electronic Benefit Payments	0	2,429	2,429
9. Elevator Program Staff	1,526	0	1,526
10. Knowledge Management	0	2,029	2,029
11. Medical Management Best Practices	0	4,150	4,150
12. Federal Medicaid Expansion	-1,040	0	-1,040
13. Farm Internship Program	208	0	208
14. Lapse - SSB 5123 Farm Internship	-208	0	-208
Policy -- Other Total	489	14,183	14,672
Policy Changes - Comp			
15. New Step M for Classified-Yr 1 Impl	194	3,646	3,840
16. New Step M for Classified-Yr 2 Impl	8	225	233
17. State Employee Health Insurance	-37	-867	-904
18. Wellness - Smoker Surcharge	-6	-128	-134
19. PEBB - Coverage Waiver Surcharge	-33	-773	-806
Policy -- Comp Total	126	2,103	2,229
Total 2013-15 Biennium	34,683	622,112	656,795
Fiscal Year 2014 Total	17,054	310,110	327,164
Fiscal Year 2015 Total	17,629	312,002	329,631

Comments:

- Vancouver Office Move** - One-time funding is provided for tenant improvements and other move-related costs for the Department of Labor and Industries' (L&I) Region 4 field office. (Accident Account-State, Medical Aid Account-State)
- Vocational Rehabilitation Pilot** - Expenditure authority and staff are provided for L&I to implement Chapter 331, Laws of 2013 (SSB 5362), which extends the Vocational Improvement Project for injured workers until June 30, 2016. (Medical Aid Account-State)
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (General Fund-State, Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Transportation Improvement Projects** - Expenditure authority is provided for L&I to implement the provisions of Chapter 113, Laws of 2013 (SHB 1420), which exempts public improvement contracts that are funded in whole or in part by federal transportation funds from the contract retainage requirement. (Public Works Administration Account-State, Medical Aid Account-State, Accident Account-State)
- Electronic Benefit Payments** - Expenditure authority is provided for L&I to implement direct deposit and prepaid debit cards as benefit payment methods for injured workers and crime victims. Agency staff estimate that 34,300 injured workers will utilize these payment options by FY 2018. Funding will provide information technology (IT) project staff to reconfigure internal

Department of Labor and Industries

agency systems, build and test a user interface, and conduct customer outreach. (Accident Account-State, Medical Aid Account-State)

9. **Elevator Program Staff** - The state elevator program is a fee-for-service program in which building owners pay fees for the safety inspections and reviews of conveyances. Expenditure authority and 6.0 FTEs are provided to assure that statutorily required annual inspections and other reviews are completed on schedule. L&I is authorized to increase elevator program fees by up to 13.1 percent to fund the additional staff.
10. **Knowledge Management** - Expenditure authority is provided for a knowledge management system that will replace the current online reference system used by claims managers and the third party administrators who manage claims for self-insured employers. The purpose of the new system is to provide expedited electronic access to policies and procedures, guidelines, medical management, technical reference material, and other information used to make claims decisions. Funding will be used to purchase a commercial off-the-shelf system and for IT staff to manage the project and provide ongoing support. (Accident Account-State, Medical Aid Account-State)
11. **Medical Management Best Practices** - Funding is provided for a pilot project to provide additional clinical staff to bring the current ratio of Occupational Nurse Consultants to claim managers from 1:23 to 1:10. The addition of clinical staff is intended to provide the medical expertise and intervention that will help claimants return to work. L&I shall report back to the Legislature by December 1, 2014 on the impact of this pilot project on claimants' return to work. (Accident Account-State, Medical Aid Account-State)
12. **Federal Medicaid Expansion** - The Crime Victims Compensation (CVC) Program provides medical and other benefits to eligible crime victims who are not covered by other forms of insurance. A portion of current and future CVC claimants will become eligible for expanded Medicaid and subsidized insurance through the Health Benefit Exchange beginning in January 2014. Funding is reduced to reflect the anticipated decrease in claims for CVC medical benefits.
13. **Farm Internship Program** - Funding is provided for the implementation of Substitute Senate Bill 5123 (farm internship program), which creates a farm internship pilot program in 16 counties and requires L&I to certify participating small farms. (Accident Account-State, Medical Aid Account-State)
14. **Lapse - SSB 5123 Farm Internship** - Substitute Senate Bill 5123 (farm internship program) was not enacted and the corresponding appropriation lapsed.
15. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
16. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
17. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
18. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
19. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	15,339	101,451	116,790
2013 Supplemental *	0	3,370	3,370
Total 2011-13 Biennium	15,339	104,821	120,160
2013-15 Maintenance Level	14,035	111,060	125,095
Policy Changes - Other			
1. Attorney General Legal Services	0	-2	-2
2. CTS Central Services	28	145	173
3. DES Central Services	-6	-33	-39
4. DVA Workforce Management System	0	204	204
5. Veterans Innovation Program	600	0	600
6. Lottery Games	0	-814	-814
7. Walla Walla State Veterans Home	0	6,729	6,729
Policy -- Other Total	622	6,229	6,851
Policy Changes - Comp			
8. New Step M for Classified-Yr 1 Impl	38	734	772
9. New Step M for Classified-Yr 2 Impl	1	37	38
10. State Employee Health Insurance	-11	-188	-199
11. Coll. Bargained Personal Leave Day	0	150	150
12. Wellness - Smoker Surcharge	-2	-27	-29
13. PEBB - Coverage Waiver Surcharge	-9	-166	-175
Policy -- Comp Total	17	540	557
Total 2013-15 Biennium	14,674	117,829	132,503
Fiscal Year 2014 Total	7,438	56,095	63,533
Fiscal Year 2015 Total	7,236	61,734	68,970

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
3. **DES Central Services** - Funds are adjusted to align with anticipated 2013-15 billing levels for the Department of Enterprise Services. (General Fund-State, Other Funds)
4. **DVA Workforce Management System** - The Department of Veterans' Affairs (DVA) will begin the planning phase of an electronic time, leave, and attendance scheduling system for the state veteran homes. The current scheduling system is a manual, paper-based process. (General Fund-Private/Local)
5. **Veterans Innovation Program** - Funding is provided for crisis and emergency relief, education, training, and employment assistance to veterans and their families in their communities through the Veterans Innovation Program during the 2013-15 biennium.
6. **Lottery Games** - Funds are reduced pursuant to Chapter 136, Laws of 2013 (SHB 1982) which eliminated the veteran lottery raffle. The net revenue generated by the lottery game was insufficient to cover program costs.
7. **Walla Walla State Veterans Home** - Federal and local expenditure authority is provided for the first year of operation of the Walla Walla State Veterans Home. DVA expects to break ground in May 2013 and open the facility in July 2014. (General Fund-Federal, General Fund-Private/Local)
8. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
9. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)

Department of Veterans' Affairs

10. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
11. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days. (Other Funds)
12. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
13. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Health

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	157,518	947,400	1,104,918
2013 Supplemental *	-525	14,123	13,598
Total 2011-13 Biennium	156,993	961,523	1,118,516
2013-15 Maintenance Level	158,292	912,404	1,070,696
Policy Changes - Other			
1. Federal Medicaid Expansion	-8,362	-4,713	-13,075
2. Attorney General Legal Services	-12	-85	-97
3. CTS Central Services	71	248	319
4. DES Central Services	-31	-110	-141
5. Health Professions Licensees	0	35	35
6. Board of Denturists	0	10	10
7. Denturism	0	10	10
8. Dental Hygienists and Assistants	0	11	11
9. Nurses Surcharge	0	1,008	1,008
10. Suicide Assessment Training	0	34	34
11. Medical Assistants	0	10	10
12. Disciplining Authorities	0	2,185	2,185
13. Impaired Dentist Program	0	220	220
14. Board of Pharmacy	0	51	51
15. Home Care Continuing Education	0	12	12
16. Physician Assistants	0	18	18
17. Clinical Affiliation Agreements	11	0	11
18. Online Licensing	65	1,628	1,693
19. MD Licensure Requirements	0	14	14
20. MQAC Communication Plan	0	200	200
21. Newborn Screening	0	1,382	1,382
22. Prescription Monitoring Program	0	923	923
23. HIV Drug Rebates	-3,431	3,431	0
24. Public Health Block Grant	-760	0	-760
25. Midwives	14	0	14
26. WA Autism Alliance	270	0	270
27. Public Health Laboratories	-2,350	2,350	0
28. Water Filtration	0	150	150
29. Coordination of Care	0	64	64
30. Birth Certificates	0	141	141
31. UW Health Science Library	0	654	654
32. Diarrhetic Shellfish Poisoning	0	156	156
33. Diabetes Prevention	115	0	115
Policy -- Other Total	-14,400	10,037	-4,363
Policy Changes - Comp			
34. New Step M for Classified-Yr 1 Impl	476	2,046	2,522
35. New Step M for Classified-Yr 2 Impl	16	142	158
36. State Employee Health Insurance	-90	-446	-536
37. Wellness - Smoker Surcharge	-13	-65	-78
38. PEBB - Coverage Waiver Surcharge	-81	-397	-478
Policy -- Comp Total	308	1,280	1,588
Policy Changes - Transfers			
39. Public Health Funding Transfer	-24,772	0	-24,772
Policy -- Transfer Total	-24,772	0	-24,772
Total 2013-15 Biennium	119,428	923,721	1,043,149
Fiscal Year 2014 Total	60,230	464,430	524,660
Fiscal Year 2015 Total	59,198	459,291	518,489

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Comments:

1. **Federal Medicaid Expansion** - Under the federal Affordable Care Act, individuals and families with incomes up to 400 percent of the federal poverty level will be eligible for coverage under the Medicaid expansion or for subsidized private coverage through the Washington Health Benefit Exchange (Exchange). Funding for HIV Client Services and the Breast, Cervical, and Colon Health Program (BCCHP) is reduced to reflect the anticipated shift of clients to Medicaid or subsidized coverage in the Exchange when those options become available. HIV Client Services provides assistance to eligible HIV-positive clients, and the BCCHP provides breast, cervical, and colon cancer screenings and other supportive and preventive health services to low-income clients. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
5. **Health Professions Licensees** - Expenditure authority is provided for the Department of Health (DOH) to implement the provisions of Chapter 86, Laws of 2013 (HB 1003). DOH will respond to complaints regarding licensed healthcare providers disqualified by the Department of Social & Health Services (DSHS) from having unsupervised access to vulnerable adults. (Health Professions Account-State)
6. **Board of Denturists** - Expenditure authority is provided for DOH to implement Chapter 171, Laws of 2013 (SHB 1270). DOH will adopt rules to change licensing and disciplinary authorities from the Secretary of Health to the Board of Denturists. (Health Professions Account-State)
7. **Denturism** - Expenditure authority is provided for DOH to implement Chapter 172, Laws of 2013 (SHB 1271). DOH will adopt rules to expand the types of services a licensed denturist may provide. (Health Professions Account-State)
8. **Dental Hygienists and Assistants** - Expenditure authority is provided to implement Chapter 87, Laws of 2013 (HB 1330), which allows licensed dental hygienists or dental assistants to provide certain services under the supervision of a dentist. (Health Professions Account-State)
9. **Nurses Surcharge** - Funding is provided for DOH to implement the provisions of Chapter 77, Laws of 2013 (SHB 1343). The June 30, 2013, expiration date for a \$5 surcharge paid by registered nurses and licensed practical nurses on license applications and renewals is removed. Surcharge revenue is used to support a central nursing resource center. (Nursing Resource Center Account- Non-appropriated)
10. **Suicide Assessment Training** - Expenditure authority is provided for DOH to implement the provisions of Chapter 78, Laws of 2013 (SHB 1376). DOH will adopt rules to change requirements regarding mandatory training of licensed healthcare professionals in suicide assessment, treatment, and management. (Health Professions Account-State)
11. **Medical Assistants** - Expenditure authority is provided for DOH to implement the provisions of Chapter 128, Laws of 2013 (ESHB 1515). DOH will update rules regarding certified and registered medical assistants. (Health Professions Account-State)
12. **Disciplining Authorities** - Expenditure authority is provided for DOH to implement the provisions of Chapter 81, Laws of 2013 (2SHB 1518). The expiration date on pilot projects granting independent authority to the Nursing Care Quality Assurance Commission and Medical Care Quality Assurance Commission over matters such as staffing and budgeting is removed. A five-year pilot project granting independent authority to the Chiropractic Quality Assurance Commission is established. (Health Professions Account-State)
13. **Impaired Dentist Program** - Expenditure authority is provided for DOH to implement the provisions of Chapter 129, Laws of 2013 (HB 1534). DOH is authorized to increase the maximum surcharge on licensed dentists used to fund the impaired dentist program from \$25 to \$50. The impaired dentist program serves licensed dentists who voluntarily seek or agree to substance abuse treatment. (Health Professions Account-State)
14. **Board of Pharmacy** - Expenditure authority is provided for DOH to implement Chapter 19, Laws of 2013 (HB 1609). DOH will update rules to change the name of the Board of Pharmacy to the Pharmacy Quality Assurance Commission, and will provide for the travel and member pay of eight additional commission members. (Health Professions Account-State)
15. **Home Care Continuing Education** - Expenditure authority is provided for DOH to implement Chapter 259, Laws of 2013 (SHB 1629). DOH will adopt rules regarding continuing education and credentialing requirements for long-term care workers. (Health Professions Account-State)
16. **Physician Assistants** - Expenditure authority is provided for DOH to implement the provisions of Chapter 203, Laws of 2013 (SHB 1737). The Medical Quality Assurance Commission and Board of Osteopathic Medicine and Surgery will adopt rules to modernize the regulation of physician assistants and will report

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to the Legislature by December 31, 2014. (Health Professions Account-State)

17. **Clinical Affiliation Agreements** - Funding is provided for a work group convened by DOH to study and recommend language to standardize clinical affiliation agreements for licensed physicians, licensed osteopathic physicians and surgeons, and licensed nurses. The work group will report its findings to the Governor and appropriate committees of the Legislature by November 15, 2014.
18. **Online Licensing** - Funding is provided beginning in FY 2015 for DOH to implement online access and credit card payment functionality for new license applications for all health care professions, as well as new license applications and renewals for at least five regulated facility types. (General Fund-State, General Fund-Private/Local, Health Professions Account-State, Medical Test Site Licensure Account-State)
19. **MD Licensure Requirements** - The Medical Quality Assurance Commission will update the training standards for licensed allopathic physicians in Washington State. One-time expenditure authority is provided to cover the costs of rulemaking to update these licensure requirements. (Health Professions Account-State)
20. **MQAC Communication Plan** - Expenditure authority is provided for the Medical Quality Assurance Commission to continue a quarterly newsletter, direct mailings, and educational events for stakeholders. (Health Professions Account-State)
21. **Newborn Screening** - DOH will add a screening for Severe Combined Immunodeficiency Disease to the state newborn screening program. Fees paid by the facility of birth to fund these screenings will increase from \$60.90 to \$69 per child. (General Fund-Private/Local)
22. **Prescription Monitoring Program** - The Prescription Monitoring Program (PMP) helps practitioners and dispensers identify and prevent abuse, misuse, duplication and forgery of prescriptions, as well as prevent harmful drug interactions. Federal grant funding was used to develop the PMP, but is not available for ongoing operations and maintenance. Chapter 36, Laws of 2013 (HB 1565) authorizes the use of the Medicaid Fraud Penalty Account for the operations and maintenance of the PMP. DOH will continue to seek outside grant funding to support PMP enhancements. (Medicaid Fraud Penalty Account-State)
23. **HIV Drug Rebates** - DOH receives drug rebate revenue from pharmaceutical companies on medications purchased for eligible clients in the HIV Client Services program. DOH anticipates deferring enough rebate revenue to the 2013-15 biennium to cover a one-time fund shift from the state general fund. The rebate revenue will help cover the cost of insurance premiums and HIV drug assistance for clients. (General Fund-State, General Fund-Private/Local)
24. **Public Health Block Grant** - The state provides non-categorical financial support to local health jurisdictions (LHJs) through the Local Capacity Development Fund, Motor Vehicle Excise Tax (MVET) replacement funds, and Blue Ribbon Commission funds. The MVET replacement funds are paid from the Treasurer's Office directly to LHJs through a directed formula. The other two sources are paid by DOH to the LHJs. These three disparate funding streams are collapsed into a single block grant dispersed through the Treasurer's Office. Savings are achieved by eliminating the DOH indirect charge on pass-through funds, and by eliminating DOH support activities beginning in FY 2015. The LHJs will be required to report spending information by category and outcome-oriented performance measures to the Legislature each November.
25. **Midwives** - Additional funding is provided solely to subsidize fee revenue in the midwifery licensure and regulatory program. DOH shall charge no more than \$525 annually for new or renewed midwifery licenses.
26. **WA Autism Alliance** - One-time funding is provided for the Washington Autism Alliance to help autistic individuals and families with autistic children navigate and enroll in health insurance coverage during implementation of the ACA.
27. **Public Health Laboratories** - A portion of state general fund support for the Washington State Public Health Laboratory is shifted to the Medical Test Site Licensure Account on a one-time basis. (General Fund-State, Medical Test Site Licensure Account-State)
28. **Water Filtration** - Funding is provided to purchase water filtration systems for low-income households at risk from nitrate-contaminated wells in the Lower Yakima basin. (State Toxics Control Account-State)
29. **Coordination of Care** - Funding is provided for DOH to integrate the PMP data with the coordinated care electronic tracking program. The integration will provide data from the PMP to emergency department personnel when a patient registers in the emergency department. DOH shall request that insurers and third-party health care coverage administrators provide information to the coordinated care electronic tracking program. (Medicaid Fraud Penalty Account-State)
30. **Birth Certificates** - Expenditure authority is provided for DOH to implement the provisions of Chapter 321, Laws of 2013 (SHB 1525). DOH is authorized to charge a fee of up to \$20 to produce a noncertified copy of an original birth certificate at the request of an adult adoptee. (General Fund-Private/Local)
31. **UW Health Science Library** - Funding is provided for the implementation of Chapter 249, Laws of 2013 (ESB 5206). DOH may apply a surcharge of up to \$25 for additional licensed health professions to access the University of Washington online health sciences library. (Health Professions Account-State)
32. **Diarrhetic Shellfish Poisoning** - Expenditure authority is provided for DOH to begin testing and analyzing diarrhetic shellfish poisoning samples at the Washington State Public Health Laboratory. (Biotoxin Account-State)

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33. **Diabetes Prevention** - Staff and funding are provided for the Health Care Authority, DSHS, and DOH to collaborate to identify goals, benchmarks, and plans for preventing and controlling diabetes.
34. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
35. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
36. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
37. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
38. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)
39. **Public Health Funding Transfer** - Local Capacity Development Funds and Blue Ribbon Commission funds for LHJs are collapsed into a single block grant with MVET replacement funds to be dispersed through the Treasurer's Office. The LHJs are required to report spending information by category and outcome-oriented performance measures to the Legislature each November.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

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(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,602,344	23,591	1,625,935
2013 Supplemental *	4,190	-902	3,288
Total 2011-13 Biennium	1,606,534	22,689	1,629,223
2013-15 Maintenance Level	1,667,459	15,694	1,683,153
Policy Changes - Other			
1. Move OMNI off Mainframe	-2,780	1,249	-1,531
2. Federal Medicaid Expansion	-2,169	0	-2,169
3. Attorney General Legal Services	-87	0	-87
4. CTS Central Services	1,249	0	1,249
5. DES Central Services	-431	0	-431
6. New Hepatitis C Protocol	1,005	0	1,005
7. Assault Near Court Proceedings	72	0	72
8. Stalking Protection	96	0	96
9. Radio Infrastructure Upgrades	981	0	981
10. Maple Lane Ongoing Costs	672	0	672
11. Prison Rape Elimination Act (PREA)	358	0	358
12. Special Needs Population	1,305	0	1,305
13. Sex Offender Risk Assessment	0	530	530
14. Improving Safety	2,494	0	2,494
15. Reducing Corrections Costs	-2,627	0	-2,627
16. Delay Opening Units	-7,766	0	-7,766
17. Residential DOSA	4,106	0	4,106
18. Drug Treatment Fund Shift	-4,106	4,106	0
19. Presentence Credits	-1,103	0	-1,103
20. Centralized Pharmacy	-2,316	0	-2,316
21. Offender Housing Voucher Program	0	203	203
22. Crimes Against Pharmacies	72	0	72
23. Program Under-Expenditures	-4,766	0	-4,766
24. Risk Needs Responsivity Programming	225	0	225
25. Trafficking	48	0	48
26. Vehicle Prowling	48	0	48
27. E2SSB 5912	222	0	222
Policy -- Other Total	-15,198	6,088	-9,110
Policy Changes - Comp			
28. New Step M for Classified-Yr 1 Impl	10,112	6	10,118
29. New Step M for Classified-Yr 2 Impl	813	0	813
30. State Employee Health Insurance	-2,484	-1	-2,485
31. Coll. Bargained Personal Leave Day	16	0	16
32. Wellness - Smoker Surcharge	-367	0	-367
33. PEBB - Coverage Waiver Surcharge	-2,207	-2	-2,209
Policy -- Comp Total	5,883	3	5,886
Policy Changes - Transfers			
34. McNeil Island Stewardship	7,000	0	7,000
Policy -- Transfer Total	7,000	0	7,000
Total 2013-15 Biennium	1,665,144	21,785	1,686,929
Fiscal Year 2014 Total	834,269	10,980	845,249
Fiscal Year 2015 Total	830,875	10,805	841,680

Comments:

1. **Move OMNI off Mainframe** - The Offender Management Network Information (OMNI) system has been running on a mainframe architecture with limited disaster recovery

capabilities. The OMNI stores offender data such as sentence data, supervision requirements, movements and locations, and case notes including disciplinary actions. The system is used for

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- classification purposes, criminal history, and incident reporting. Funding is provided for the Department of Corrections (DOC) to use a phased strategy to move OMNI off of the mainframe into DOC's virtual server environment and build out an enterprise class disaster recovery capability. Savings are a net of reduced costs and new investments in equipment and licenses.
2. **Federal Medicaid Expansion** - Implementation of the Affordable Care Act expands Medicaid eligibility for individuals from age 19 to 64 with income at or below 133 percent of the Federal Poverty Level. Savings will be realized by expanding the number of offenders who are eligible for hospital in-patient Medicaid reimbursement. The federal funds which are generated to offset these costs are reflected in the Health Care Authority budget. (General Fund-State, General Fund-Federal)
 3. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
 4. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
 5. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
 6. **New Hepatitis C Protocol** - Funding is provided to implement a new treatment protocol for offenders screened as suitable candidates with Hepatitis C genotype 1. This protocol has proven efficacy and is an allowable benefit on other insurance programs including Medicaid.
 7. **Assault Near Court Proceedings** - Funding is provided for three additional prison beds to accommodate anticipated increases in the average daily population (ADP). Pursuant to Chapter 256, Laws of 2013 (ESB 5484), a person is guilty of assault in the third degree when that person assaults another individual in any area of a building that is used in connection with court proceedings. Assault in the third degree is a Class C felony offense ranked at Seriousness Level III on the adult felony sentencing grid. An offender convicted of assault in the third degree may receive a prison sentence of between 51-68 months.
 8. **Stalking Protection** - Pursuant to Chapter 84, Laws of 2013 (ESHB 1383), the definition of stalking is expanded and the penalties for violating stalking orders are increased. Two existing Class C felonies are expanded and an aggravating factor for court employees is added. A Class C felony ranked at a Seriousness Level V on the adult felony sentencing grid may be punishable with a term of prison confinement between 72-96 months. It is expected this will increase the demand for prison beds by four ADP.
 9. **Radio Infrastructure Upgrades** - Funding is provided for certificate of participation debt service payments to replace radio systems related to staff safety at Larch Corrections Center, Cedar Creek Corrections Center, Clallam Bay Corrections Center, Stafford Creek Corrections Center, and Airway Heights Corrections Center. Debt service payments are scheduled for ten years.
 10. **Maple Lane Ongoing Costs** - In the 2012 supplemental operating budget, DOC was provided \$165,000 per year to assume responsibility for a warm closure of the Maple Lane School property. Additional funding is provided to pay for utilities, fire protection contracts, and other costs previously not covered so that Maple Lane maintains its value while long-term plans are made for the property. An additional 0.5 FTE is provided, bringing the total to 2.5 FTEs for on-site staffing coverage.
 11. **Prison Rape Elimination Act (PREA)** - Funding is provided to implement new standards necessary to comply with the federal Prison Rape Elimination Act (PREA). Released in June 2012, these standards require DOC to have one-third of its facilities audited by an outside source by August 2013. Funding is provided one-time for one temporary FTE to conduct agency-wide training and ongoing for two permanent FTEs to monitor, oversee, and implement required changes.
 12. **Special Needs Population** - Funding for six psychiatric associates is provided to deliver additional support for offenders with developmental disabilities or traumatic brain injuries. DOC will create special housing units to provide offenders with special needs specialized programming and treatment at the Monroe Correctional Complex and Washington State Penitentiary, as recommended by the Vera Institute of Justice. Funding is also provided for additional custody staff and a mental health counselor to convert some mental health administrative segregation beds to Intensive Treatment Unit (ITU) beds at the Monroe Correctional Complex.
 13. **Sex Offender Risk Assessment** - Funding is provided to expand the use of the Static 99 actuarial sex offender assessment tool to improve the diagnosis and treatment of offenders convicted of sex crimes. Sex offenders will be assessed at the time of intake and the additional information will be used in the classification process and for placement and programming decisions. (County Criminal Justice Assistance Account - State)
 14. **Improving Safety** - Funding is provided to increase correctional officer staffing levels in medium security housing units on the day shift and in stand-alone minimum security facilities on graveyard shift, consistent with staffing model changes recommended by the Statewide Security Advisory Committee.
 15. **Reducing Corrections Costs** - Pursuant to Chapter 14, Laws of 2013, 2nd sp.s (2ESSB 5892), the drug sentencing grid is modified so that any offender who commits a Seriousness Level I drug offense and has a criminal history score within the range of 3-5, will serve their sentence in jail. Currently, drug offenders who have committed an identical Seriousness Level I

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drug offense and have identical criminal history scores may be sentenced to either prison or jail. This item is expected to decrease the adult average daily prison population by 126 in FY 2015 and thereby help reduce the need for DOC to open or build additional housing units.

16. **Delay Opening Units** - Policy to reduce the forecasted ADP is expected to decrease the demand for prison beds allowing savings to be achieved due to the delay of opening one medium security unit at Washington State Penitentiary (WSP). Increased residential beds for Drug Offender Sentencing Alternatives are expected to reduce ADP by 272 beds. In addition, DOC is authorized to rent local jail beds for short-term offenders who have 120 days or fewer remaining on their sentence when they would otherwise transfer from jail to DOC. When this policy is fully implemented, about 290 fewer offenders will go through the reception process annually, reducing the need for DOC capacity by an additional 52 beds. DOC is authorized to open one medium unit at WSP and close one minimum unit at WSP within existing appropriations. Offenders residing in the new medium unit will receive health services at the existing WSP medical clinic and within existing resources. DOC will use existing administrative resources to open the new medium unit thereby achieving additional savings.
17. **Residential DOSA** - Net savings are assumed from contracting for an additional 75 residential Drug Offender Sentencing Alternative (DOSA) beds, bringing the contracted residential beds for the program to 220. This program is provided as a community alternative by the courts for otherwise prison-bound offenders who are in need of chemical dependency treatment and supervision. In FY 2013 the program was funded for 145 beds, but the number of offenders sentenced to this option by the courts has increased. This expansion will reduce the forecasted ADP for prison beds by 197 in FY 2014 and by 272 in FY 2015, thereby helping reduce the need for DOC to open or build additional housing units.
18. **Drug Treatment Fund Shift** - Excess funds from the Ignition Interlock Device Revolving Account and the County Criminal Justice Assistance Account will be used one-time to support drug treatment provided through the DOSA residential program for offenders on community supervision. In 2012, there were 4,975 offenders who were admitted to this 95-day evidence-based residential program. Use of these excess funds does not impact or alter amounts distributed to the counties by the State Treasurer or Washington State Patrol appropriated levels in the County Criminal Justice Assistance account. (County Criminal Justice Assistance Account-State, Ignition Interlock Device Revolving Account-State)
19. **Presentence Credits** - Savings are assumed from DOC calculating an offender's presentence good-time credits consistent with the rate applicable to offenders in the DOC's facilities, pursuant to Chapter 14, Laws of 2013, 2nd sp.s. (2ESSB 5892). This change will make credit earning calculations consistent for all DOC offenders. The change is estimated to reduce the forecasted population by an average of 51 offenders in the 2013-15 biennium.
20. **Centralized Pharmacy** - Funding is reduced to reflect savings from centralizing the DOC pharmacy system. Currently, five independent prison-based pharmacies are used to provide medications to twelve prisons through the state. These will be replaced by a streamlined system that utilizes two locations (one on the Eastern side and one on the Western side of the state). One-time funding of \$700,000 is provided in the capital budget for tenant improvements to leased space is related to this reduction.
21. **Offender Housing Voucher Program** - Pursuant to Chapter 266, Laws of 2013 (ESB 5105), funding is provided to implement changes in the offender housing voucher program. DOC is provided one Community Corrections Specialist in the first year to develop a process and rules for approving housing providers and standardizing a community impact review. For ongoing oversight of the housing approval process, DOC is provided a 0.5 FTE. Funding is also provided for additional prison beds for offenders who remain in prison up to 60 days longer than they would have otherwise due to delays from housing options that are not approved by local jurisdictions. (County Criminal Justice Assistance Account-State)
22. **Crimes Against Pharmacies** - Pursuant to Chapter 270, Laws of 2013 (SB 3149), a special allegation may be brought against a person who commits robbery in the first degree if the crime is committed in a pharmacy. An additional 12 months is added to the standard sentence if the allegation is proven beyond a reasonable doubt. Funding is provided for three additional prison beds for an expected increase in adult daily population.
23. **Program Under-Expenditures** - One-time savings is achieved by aligning funding levels for offender programming to more closely reflect expected 2013-15 biennial spending levels. The 2012 supplemental operating budget required DOC to implement an evidence-based Risk Needs Responsivity (RNR) model. In conjunction with this effort, DOC is revamping the way programming is provided to offenders in prisons and in community supervision. This includes phasing out several programs and replacing them with programs considered to be more effective and that follow the RNR model. The RNR model requires programming interventions to be dynamic and directly linked to criminal behavior. Upon full implementation, programming will be targeted so that offenders that are at a higher risk to reoffend are provided with more intensive and extensive services.
24. **Risk Needs Responsivity Programming** - One-time funding is provided for DOC to contract with a consultant who can facilitate and provide project expertise on the implementation of community and prison-based offender programming that follows the RNR model. By October 1, 2013, the consultant will provide an evaluation to DOC, Office of Financial Management (OFM), and the Legislature on current plans and processes to phase out ineffective programs and to implement programs that are evidence-based or research-based. The Washington State Institute of Public Policy (WSIPP) will be consulted to

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systematically review select programs. Based on the report provided by the consultant and WSIPP's review of programs, DOC will work collaboratively with the consultant to develop a comprehensive written implementation plan and provide it to OFM and the Legislature by January 15, 2014. The written plan must include an implementation timeline, the types of programs to be included, the locations for the programs, and a phasing in of the projected number of participants that will meet the threshold of available funds. Using the written implementation plan as a guide, DOC must have programs in place and fully phased in no later than June 30, 2015. The consultant will review quarterly the actual implementation compared to the written plan and will provide a report to the Secretary of DOC. DOC will provide progress updates to OFM and the Legislature on July 1, 2014, and December 1, 2014.

25. **Trafficking** - Pursuant to Chapter 302, Laws of 2013 (ESSB 5669) the definition for a felony related to communication with a minor is expanded to include the purchase or sale of commercial sex acts and sex trafficking. This Class C felony may be punishable by 51-60 months in prison depending on criminal history. Consent of a minor no longer constitutes a defense. It is expected that this will increase the demand for prison beds by two ADP.
26. **Vehicle Prowling** - A new Class C felony offense is established pursuant to Chapter 267, Laws of 2013 (ESB 5053). The offense of vehicle prowling is ranked at Seriousness Level V on the adult felony sentencing grid. Statistics on the number of adult offenses for vehicle prowling in the second degree are not available. Vehicle prowling in the second degree on the third or subsequent offense, would be subject to a standard range of confinement between 6-12 months in jail and 51-60 months in prison. An increase in the ADP for two prison beds is anticipated.
27. **E2SSB 5912** - Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs related to reducing impaired driving. For the 2013-15 biennium a total of \$5 million general fund-state and \$1.5 million in federal funds are appropriated to DOC, the Washington State Traffic Safety Commission, the Department of Social and Health Services (DSHS), and special appropriations to the Governor as grants for additional county deputy prosecuting attorney positions. For DOC, \$222,000 general fund--state is appropriated to supervise offenders convicted of vehicular homicide, vehicular assault, and felony driving under the influence regardless of risk classification.
28. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
29. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
30. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
31. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days.
32. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
33. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)
34. **McNeil Island Stewardship** - Funding is transferred from DSHS to Correctional Industries (CI) to manage stewardship of McNeil Island. Prior to the April 2011 closure of the McNeil Island prison, marine operations, waste water treatment, water treatment, road maintenance, and general island maintenance were the responsibility of DOC. These tasks will revert to DOC as part of CI, utilizing and providing job skills to offenders who are on community supervision or nearing the end of their sentence and preparing to enter local communities. In addition, DOC shall utilize the CI workforce to provide the minimum maintenance and preservation necessary to remain in compliance with the federal deed for McNeil Island. Fire department and security functions will remain with the Special Commitment Center.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

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WORKLOAD HISTORY

By Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	Estimated	
									2014	2015
Community Supervision ^{(1) (2)}										
# Active Offenders	26,466	27,057	28,212	28,894	20,155	18,920	16,226	15,395	15,418	15,502
% Change from prior year	-9.3%	2.2%	4.3%	2.4%	-30.2%	-6.1%	-14.2%	-5.1%	0.1%	0.5%
Community Supervision Violators ⁽³⁾										
Avg Daily Population/Month	1,029	1,178	1,295	1,267	1,221	1,319	839	457	513	530
% Change from prior year	25.0%	14.4%	10.0%	-2.2%	-3.6%	8.0%	-36.4%	-45.5%	12.3%	3.3%
Institutions ⁽⁴⁾										
Avg Daily Population/Month	17,031	17,097	17,461	17,468	17,252	17,041	17,006	17,172	17,085	17,090
% Change from prior year	-2.1%	0.4%	2.1%	0.0%	-1.2%	-1.2%	-0.2%	1.0%	-0.5%	0.0%
Average Cost Per Inmate ^{(5) (6)}										
Annual	29,055	31,071	35,611	36,756	34,615	33,422	33,005	32,469	32,611	32,483
% Change from prior year	6.8%	6.9%	14.6%	3.2%	-5.8%	-3.4%	-1.2%	-1.6%	0.4%	-0.4%

⁽¹⁾ Data reflects average monthly caseloads. The data is not comparable with caseloads published in prior editions of the Legislative Budget Notes, which measured end-of-year caseloads.

⁽²⁾ Accounting issues at the Department of Corrections may have overcounted active caseloads.

⁽³⁾ For FY 2014 and FY 12105 the average daily population/month includes Community Supervision Violators who are assumed will actually be housed in Prison or Work Release (51 violators in FY 2014 and 53 violators in FY 2015).

⁽⁴⁾ For FY2006 through FY2013, counts include out of state rental beds used for prison offenders and work release beds. Projected population in FY2014 and FY2015 equals projected population from the June 2013 Caseload Forecast Council forecast adjusted by bed impact of 2013 Legislative Session.

⁽⁵⁾ The FY2005 average cost per inmate does not include funds paid toward the Stamey and Arrasmith lawsuit settlements.

⁽⁶⁾ FY2005 through FY2013 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center, the Washington State Penitentiary, the Coyote Ridge Corrections Center, the Cedar Creek Corrections Center, the Larch Corrections Center, or the Mission Creek Corrections Center for Women; FY13 cost per offender is based on financial information through Fiscal Month 24 only and is not final until Fiscal Year close.

Data Sources :

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

Department of Services for the Blind

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	4,290	21,176	25,466
2013 Supplemental *	0	575	575
Total 2011-13 Biennium	4,290	21,751	26,041
2013-15 Maintenance Level	4,419	21,284	25,703
Policy Changes - Other			
1. CTS Central Services	15	65	80
2. DES Central Services	-2	-8	-10
3. Increase Vocational Rehabilitation	0	1,656	1,656
Policy -- Other Total	13	1,713	1,726
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	12	80	92
5. New Step M for Classified-Yr 2 Impl	4	13	17
6. State Employee Health Insurance	-4	-20	-24
7. Wellness - Smoker Surcharge	-1	-3	-4
8. PEBB - Coverage Waiver Surcharge	-4	-18	-22
Policy -- Comp Total	7	52	59
Total 2013-15 Biennium	4,439	23,049	27,488
Fiscal Year 2014 Total	2,242	11,562	13,804
Fiscal Year 2015 Total	2,197	11,487	13,684

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Increase Vocational Rehabilitation** - The Department of Services for the Blind (DSB) will utilize excess grant capacity to provide additional direct services and client supports. Additional grant capacity will lower the counselor caseload ratio and allow DSB to reach 165 client more clients per year, about a 10 percent increase. (General Fund-Federal, General Fund-Private/Local)
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest

Department of Services for the Blind

enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Employment Security Department

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	705,126	705,126
2013 Supplemental *	0	7,520	7,520
Total 2011-13 Biennium	0	712,646	712,646
2013-15 Maintenance Level	16,006	662,851	678,857
Policy Changes - Other			
1. Family Leave Insurance Pgm	-13,600	0	-13,600
2. Attorney General Legal Services	0	-23	-23
3. Administrative Hearings	0	197	197
4. CTS Central Services	0	419	419
5. DES Central Services	0	-255	-255
6. Complete Next Generation Tax System	0	12,386	12,386
7. Modernize Call Center Technology	0	3,735	3,735
8. Evaluation of Training Benefits	0	182	182
9. State Data Center	-2,406	2,410	4
10. Services for Workers	0	240	240
Policy -- Other Total	-16,006	19,291	3,285
Policy Changes - Comp			
11. New Step M for Classified-Yr 1 Impl	0	2,114	2,114
12. New Step M for Classified-Yr 2 Impl	0	158	158
13. State Employee Health Insurance	0	-742	-742
14. Wellness - Smoker Surcharge	0	-109	-109
15. PEBB - Coverage Waiver Surcharge	0	-659	-659
Policy -- Comp Total	0	762	762
Total 2013-15 Biennium	0	682,904	682,904
Fiscal Year 2014 Total	0	353,393	353,393
Fiscal Year 2015 Total	0	329,511	329,511

Comments:

- Family Leave Insurance Pgm** - The Family Leave Insurance Program, Chapter 25, Laws of 2011, 1st sp.s. (ESSB 5091), would provide eligible employees with leave time and a weekly benefit while caring for a newborn or newly adopted child. Under Chapter 26, Laws of 2013, 2nd sp.s. (HB 2044), the program is suspended until the Legislature appropriates funding and enacts an implementation date for benefits.
- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
- Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
- Complete Next Generation Tax System** - Federal expenditure authority is provided for the Employment Security Department (ESD) to complete the final phase of the Next Generation Tax System. This system will replace the current employer tax and payment system, the Tax Information System. Project completion is scheduled for December 2013, with the warranty period and final payment occurring in June 2014. (Unemployment Compensation Administration Account-Federal)
- Modernize Call Center Technology** - Federal expenditure authority is provided for ESD to purchase a commercial off-the-shelf system that will replace the telephone and computing systems used in claim centers. (Unemployment Compensation Administration Account-Federal)
- Evaluation of Training Benefits** - Funding is provided for costs associated with the second stage of the review and evaluation of the training benefits program as directed in section 15(2), Chapter 4, Laws of 2011 (EHB 1091). The second stage

Employment Security Department

will be conducted by the Joint Legislative Audit and Review Committee, and will consist of further work on the process study and net-impact/cost-benefit analysis components of the evaluation. (Employment Service Administrative Account-State).

PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

9. **State Data Center** - Funding from dedicated accounts is provided for ESD's share of costs associated with debt service on the State Data Center. (General Fund-State, Administrative Contingency Account-State, Employment Service Administrative Account-State)
10. **Services for Workers** - Funding is provided for ESD to contract with a center for workers in King County. The purpose of the contract is to support initiatives that generate high-skill and high-wage jobs, improve workforce training systems and service delivery to dislocated workers, and build alliances between community and environmental organizations. (Administrative Contingency Account-State)
11. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
12. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
13. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
14. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
15. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the

Natural Resources

Land and Species Management

Support for State Parks and Recreation Commission

Chapter 15, Laws of 2013, 2nd sp.s. (ESSB 5897), appropriates \$5 million per fiscal year through 2017, from the Waste Reduction, Recycling, and Litter Control Account (Litter Tax) to the Parks Renewal and Stewardship Account to bridge a shortfall in Discover Pass revenue projections and to meet the maintenance and operational activities necessary to preserve the state park system. The State Parks and Recreation Commission is also provided \$8.4 million of state general fund and an additional \$1.7 million of Litter Tax funds on a one-time basis for a total of \$20.1 million of additional funding during the 2013-15 biennium.

Aquatic and Trust Land Preservation and Productivity

A mix of one-time and ongoing dedicated state funding are provided to the Department of Natural Resources (DNR) in the sum of \$10.8 million for aquatic lands business and environmental management activities, which include: remedial investigation work at toxic aquatic sites, aquatic lease reviews and compliance, adaptive management activities designed to restore aquatic habitat in the Puget Sound, and removal of creosote pilings and derelict vessels.

To reflect increasing timber prices, a total of \$8.4 million of ongoing funding is provided from the Forest Development Account and the uplands portion of the Resources Management Cost Account (RMCA) to DNR for land management activities delayed by declining timber prices and revenues. Activities include silvicultural plantings and pre-commercial thinning, which help to ensure the vitality of the forest and reduce fire danger, and enhanced surveying capacity to improve data used for timber sales.

Marine Management

A total of \$3.7 million from the aquatics portion of the RMCA is transferred to the Marine Resources Stewardship Trust Account for marine spatial planning activities including mapping, ecological assessment, data tools, and stakeholder engagement. The funds will also support the advisory councils established pursuant to Chapter 318, Laws of 2013 (ESB 5603), and the councils' efforts to address coastal water issues, including ocean acidification and resource management.

Wolf Management

A total of \$1.56 million from the State Wildlife Account is provided to the Department of Fish and Wildlife (WDFW) for activities related to the protection and management of non-game species, including wolves, pursuant to Chapter 329, Laws of 2013 (E2SSB 5193), which increased the initial application and renewal fees by \$10 for personalized state license plates. Of this amount, \$1 million is provided solely to promote and engage non-lethal deterrence methods relating to wolf and livestock interaction, cooperative agreements with livestock producers, and compensation for injury or loss of livestock caused by wolves.

Environmental Protection and Pollution Abatement

The Model Toxics Control Act and Hazardous Substance Tax

Chapter 1, Laws of 2013, 2nd sp.s. (E2SSB 5296) amended the distribution and authorized use of Hazardous Substance Tax (HST) revenues deposited into the State Toxics Control Account (STCA) and the Local Toxics Control Account (LTCA) established by the Model Toxics Control Act of 1988, and created the Environmental Legacy Stewardship Account (ELSA) to fund certain authorized pollution prevention and contamination cleanup activities at a quicker-than-average schedule. Pursuant to the legislation, \$45 million from the STCA and \$45 million from the LTCA are transferred to the ELSA on a one-time basis during the 2013-15 biennium, and any HST revenue exceeding \$140 million per fiscal year is deposited into the ELSA. In addition, a total of \$19.2

million in STCA and \$21.3 million in LTCA expenditures at the Department of Ecology (DOE) are permanently shifted to the ELSA.

The legislation also created the Radioactive Mixed Waste Account, funded with \$13.8 million in revenue previously deposited in the STCA from receipts received from facilities assessed service charges for expenditures on the regulation of current or decommissioned facilities that treat, store, or dispose of mixed waste.

Water Quality Protection on Agricultural Lands

A total of \$1.5 million from the STCA and federal funds are provided to the State Conservation Commission (SCC) to implement the Voluntary Stewardship Program in Thurston and Chelan counties.

Training for Low-Impact Development Practices

A total of nearly \$2 million from the ELSA is provided to DOE for training of local governments and developers on the practices and benefits of low-impact development, such as porous pavement and vegetation use in construction, which is or will soon be required for municipal stormwater permits to reduce the impacts on state water quality from stormwater runoff.

Other Enhancements

Pursuant to a negotiated settlement in 2003, \$2.9 million in one-time funding is provided to DOE to support the update of local shoreline master programs for the protection of shoreline habitat and water quality that affect Puget Sound health.

A total of \$1.1 million in expenditure authority is provided to WDFW for activities to maintain and operate wildlife lands.

SCC is provided \$1 million in state dedicated funds for increased technical assistance and incentive-based program support within local conservation districts.

A total of \$900,000 is provided to WDFW for the transfer of trout from the Clarks Creek hatchery to the Lakewood hatchery to enable increased salmon production and for increased Chinook salmon production on the Cowlitz River.

A total of \$800,000 is provided to the Puget Sound Partnership (PSP) to coordinate a cooperative multi-jurisdictional study of juvenile steelhead marine survival in an effort to identify the causes behind, and remedies to, a declining Puget Sound Steelhead population.

A total of \$600,000 is provided to PSP for two watershed-based levee vegetation projects intended to address and resolve conflicting demands and federal policies that affect floodplains.

DNR is provided \$500,000 of state general fund on an ongoing basis for additional enforcement officers on lands managed by DNR.

One-time funds totaling \$500,000 are provided to DOE as pass-through funding for a study that will evaluate possible local impacts from ultrafine particle air pollutants that could be emitted from two biomass co-generation facilities planned near Port Townsend and Port Angeles.

Savings and Fund Shifts to Reduce State General Fund Expenditures

Approximately \$2.9 million in state general fund at DOE is reduced for watershed planning, implementation technical assistance and grants to local governments.

Approximately \$2.1 million in state general fund at WDFW is reduced for payments in lieu of taxes to counties in the state that elect to receive payments from the state.

State general fund savings are achieved by utilizing existing fund balances in dedicated accounts.

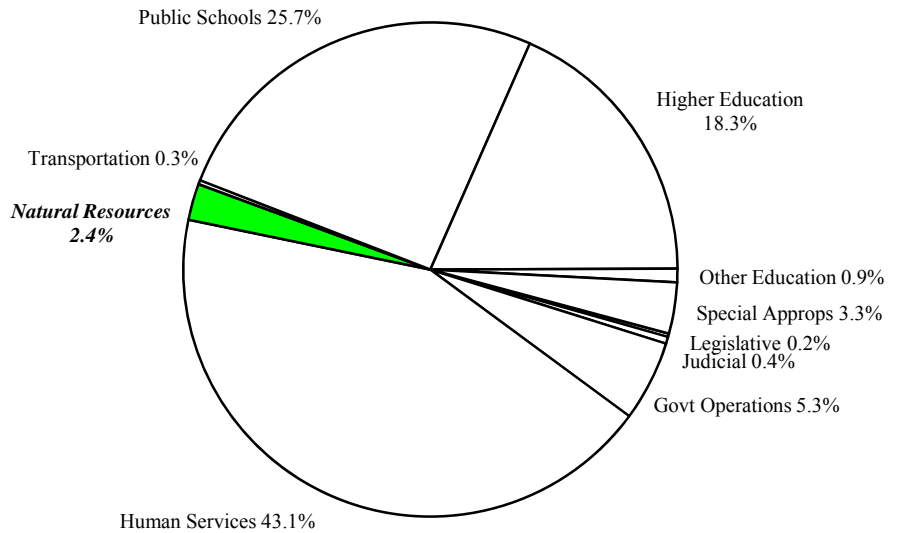
- A total of nearly \$9.7 million from the state general fund was reduced and offset with a one-time shift to the Aquatic Lands Enhancement Account for expenditures in forest practices, the hydraulic project approval program, hatcheries, aquatic invasive species, and commercial shellfish management.
- A total of \$39 million from the State Toxics Control Account replaces an equivalent reduction from the state general fund for Air Quality, Water Quality, Shorelands and Environmental Assistance, and Administration programs.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

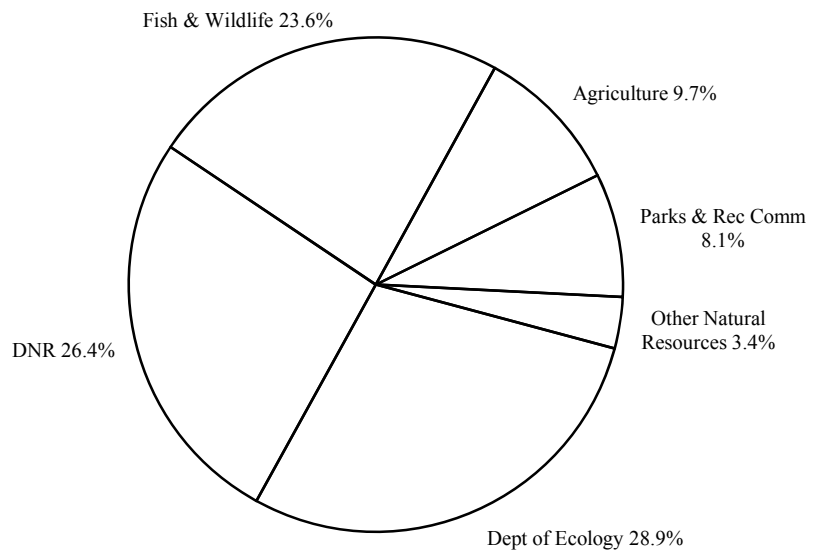
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
<i>Natural Resources</i>	<i>1,587,441</i>
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

Dept of Ecology	458,113
Dept of Natural Resources	418,580
Dept of Fish & Wildlife	374,747
Dept of Agriculture	154,157
Parks & Recreation Comm	128,452
Other Natural Resources	53,392
<i>Natural Resources</i>	<i>1,587,441</i>



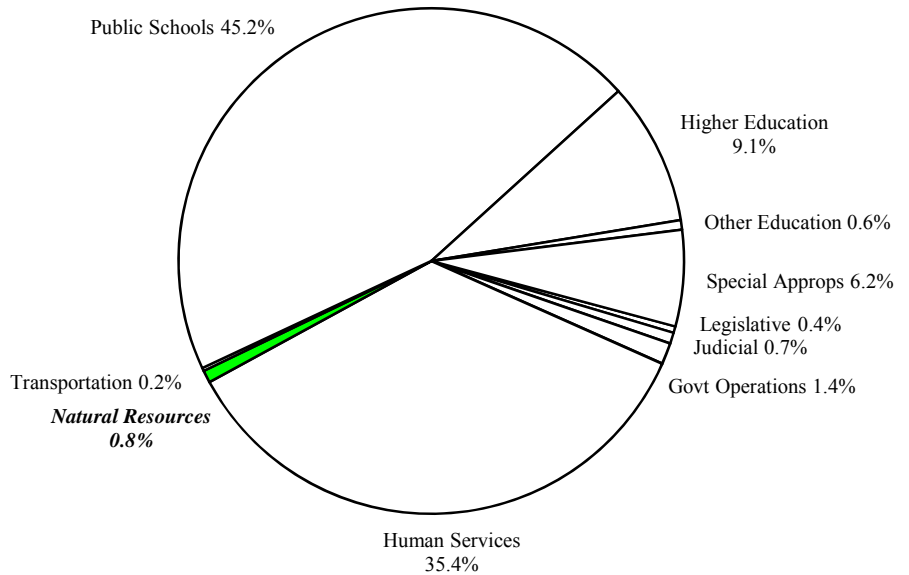
Natural Resources

2013-15 Washington State Omnibus Operating Budget

NGF-S + Opportunity Pathways

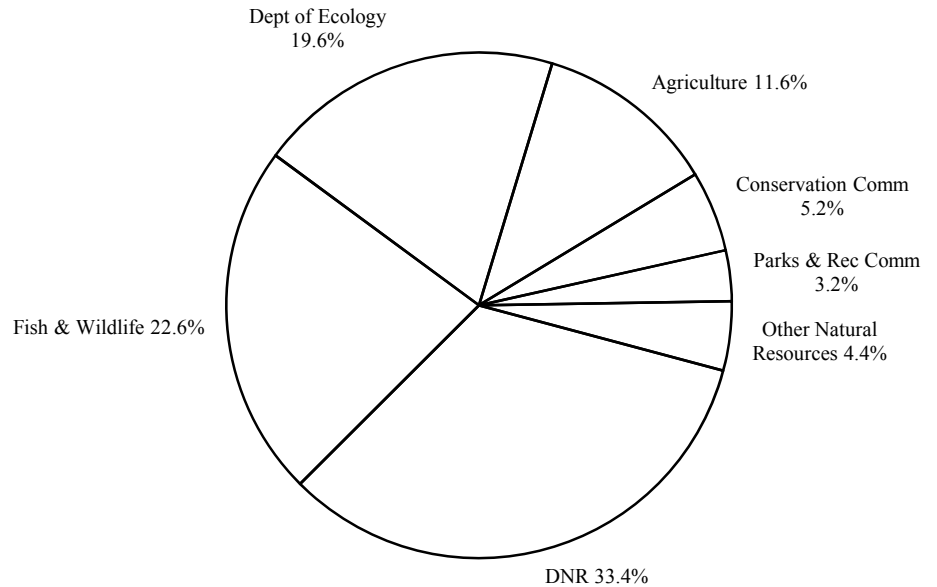
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
<i>Natural Resources</i>	<i>262,680</i>
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

Dept of Natural Resources	87,607
Dept of Fish & Wildlife	59,320
Dept of Ecology	51,435
Dept of Agriculture	30,594
Conservation Commission	13,579
Parks & Recreation Comm	8,508
Other Natural Resources	11,637
<i>Natural Resources</i>	<i>262,680</i>



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	805	806	1,611
2013-15 Maintenance Level	828	842	1,670
Policy Changes - Other			
1. DES Central Services	-1	-1	-2
2. National Scenic Area Plan Update	19	19	38
3. Provide Regional Planning Capacity	47	47	94
Policy -- Other Total	65	65	130
Policy Changes - Comp			
4. State Employee Health Insurance	-1	-1	-2
5. PEBB - Coverage Waiver Surcharge	-1	-1	-2
Policy -- Comp Total	-2	-2	-4
Total 2013-15 Biennium	891	905	1,796
Fiscal Year 2014 Total	445	495	940
Fiscal Year 2015 Total	446	410	856

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- National Scenic Area Plan Update** - The Columbia River Gorge Commission (CRGC) is statutorily mandated by Washington, Oregon, and the United States Congress to implement the Columbia River Gorge National Scenic Area Act, including updating a regional management plan every 10 years. One-time funding is provided for studies necessary for the management plan update. (General Fund-State, General Fund-Private/Local)
- Provide Regional Planning Capacity** - CRGC is the primary regional planning agency serving the Columbia River Gorge National Scenic Area. Ongoing funding and FTE staff are provided for updating a federally required management plan, as well as for carrying out regional planning responsibilities in support of community development in the Gorge. (General Fund-State, General Fund-Private/Local)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or

Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Department of Ecology

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	70,624	370,419	441,043
2013-15 Maintenance Level	92,977	371,272	464,249
Policy Changes - Other			
1. Reduce Watershed Planning Asst.	-2,873	0	-2,873
2. Air Quality Fund Shift	-5,130	5,130	0
3. Reduce Air Pollution Control Acct.	0	-500	-500
4. Fund Shift to Toxics	-24,000	24,000	0
5. Reduce Product Stewardship Exp.	0	-516	-516
6. Reduce Flood Control Grants	0	-2,000	-2,000
7. Reduce Freshwater Aquatic Weed Exp.	0	-300	-300
8. Reduce Emergency Water Account Exp.	0	-110	-110
9. Litter Account Reduction	0	-8,931	-8,931
10. Attorney General Legal Services	-29	-64	-93
11. CTS Central Services	108	219	327
12. DES Central Services	-44	-88	-132
13. Reducing Toxic Gasoline Vapors	0	208	208
14. Pollution Source Regist Fund Shift	-114	114	0
15. Implementing Better Brakes Law	0	188	188
16. Meeting Air Operating Permit Needs	0	294	294
17. Preventing Nonattainment Areas	0	204	204
18. State Revolving Fund Admin Charge	0	131	131
19. Stormwater Training Program	0	1,981	1,981
20. Spokane Rivr Toxic Source Abatement	0	350	350
21. Protecting Washington Shorelines	0	2,856	2,856
22. Ultrafine Particulate Study	0	516	516
23. Derelict and Abandoned Vessels	0	65	65
24. Wastewater Discharge Fees	0	660	660
25. Shift GF-S to State Toxics	-9,850	9,850	0
Policy -- Other Total	-41,932	34,257	-7,675
Policy Changes - Comp			
26. New Step M for Classified-Yr 1 Impl	586	1,702	2,288
27. New Step M for Classified-Yr 2 Impl	73	202	275
28. State Employee Health Insurance	-132	-372	-504
29. Wellness - Smoker Surcharge	-20	-54	-74
30. PEBB - Coverage Waiver Surcharge	-117	-329	-446
Policy -- Comp Total	390	1,149	1,539
Total 2013-15 Biennium	51,435	406,678	458,113
Fiscal Year 2014 Total	25,929	201,947	227,876
Fiscal Year 2015 Total	25,506	204,731	230,237

Department of Ecology

Comments:

1. **Reduce Watershed Planning Asst.** - Funding and FTEs are reduced on an ongoing basis for technical assistance and project implementation grants to local watershed planning groups. Remaining funds and staff are directed to focus on: 1) supporting local capacity in the Dungeness, Walla Walla, and Wenatchee basins; and 2) funding plan adoption or implementation activities in the Chelan, Colville, Cowlitz, Dungeness, Rock-Glade, lower Lake Roosevelt, and lower Spokane Basins.
2. **Air Quality Fund Shift** - Work within the Air Quality Program related to preventing unhealthy air and violations of federal air quality standards is shifted on an ongoing basis from the state general fund to the State Toxics Control Account (STCA). (General Fund-State, State Toxics Control Account-State)
3. **Reduce Air Pollution Control Acct.** - Expenditure authority and staff are reduced on an ongoing basis in the Air Pollution Control Account to reflect lower-than-anticipated revenues. (Air Pollution Control Account-State)
4. **Fund Shift to Toxics** - State general fund expenditures are shifted on an ongoing basis to STCA for activities in the Air Quality, Water Quality, Environmental Assessment, Shorelands and Environmental Assistance, and Administration Programs. (General Fund-State, State Toxics Control Account-State)
5. **Reduce Product Stewardship Exp.** - Expenditure authority is reduced on an ongoing basis in the Product Stewardship Programs Account to reflect lower-than-anticipated revenues into the account. (Product Stewardship Programs Account-Nonappropriated)
6. **Reduce Flood Control Grants** - The Flood Control Assistance Program provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. Competitive grants to local governments for flood hazard reduction projects are suspended on a one-time basis to achieve \$2 million in savings. (Flood Control Assistance Account-State)
7. **Reduce Freshwater Aquatic Weed Exp.** - Expenditure authority is reduced on an ongoing basis in the Freshwater Aquatic Weeds Account to reflect lower available revenues from the boat trailer registration fee. (Freshwater Aquatic Weeds Account-State)
8. **Reduce Emergency Water Account Exp.** - Expenditure authority is reduced on an ongoing basis in the State Emergency Water Projects Revolving Account to reflect actual available funds. (State Emergency Water Projects Revolving Account-State)
9. **Litter Account Reduction** - Funding is reduced on a one-time basis in the Waste Reduction, Recycling and Litter Control Account for litter pickup, prevention and marketing, and for other work related to waste reduction and recycling. (Waste Reduction, Recycling and Litter Control Account-State)
10. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
11. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
12. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
13. **Reducing Toxic Gasoline Vapors** - Federal and state laws require gas stations to manage emissions of gasoline vapors with vapor-recovery and spill-prevention technologies. The 2012 Legislature restored a gasoline vapor inspection program in areas not under the jurisdiction of a local clean air agency. Expenditure authority and FTE staff are provided on an ongoing basis to reflect increased fee revenues to carry out the program and ensure compliance with those laws. (Air Pollution Control Account-State)
14. **Pollution Source Regist Fund Shift** - Facilities that produce air contaminants must register their pollutant emissions and are inspected periodically to ensure compliance with laws and permit conditions. During the 2011-13 biennium, fees were increased to more fully recover the costs of operating the program. Expenditure authority is shifted on an ongoing basis from the state general fund to the Air Pollution Control Account, which receives the increased fee revenue. (General Fund-State, Air Pollution Control Account-State)
15. **Implementing Better Brakes Law** - The 2010 Better Brakes Law bans certain brake friction materials, effective January 2014. A combination of one-time and ongoing funding and FTE staff are provided to continue implementation of this program, including publicizing and enforcing the ban, certifying manufacturer compliance, tracking friction materials, and assessing safer alternatives. (Environmental Legacy Stewardship Account-State)
16. **Meeting Air Operating Permit Needs** - Major sources of air pollution are regulated by the Department of Ecology (DOE) under the federally-mandated Air Operating Permit Program. Under both federal and state law, the costs of the program must be fully supported with fees paid by the sources. Expenditure authority and FTE staff are increased on an ongoing basis to reflect increased fee revenues to cover the cost of serving new sources entering the program, provide technical assistance to regulated entities, and on a one-time basis to conduct rulemaking to address industry concerns and ensure alignment with state and federal law. (Air Operating Permit Account-State)

Department of Ecology

17. **Preventing Nonattainment Areas** - One-time funding is provided to address sources of pollution in central Washington, which includes working with elected officials, citizens, local air agencies (if any), businesses, and civic leaders to make changes that reduce pollution levels. (Environmental Legacy Stewardship Account-State)
18. **State Revolving Fund Admin Charge** - DOE manages a water pollution facility loan program that provides low-interest financing to local governments for infrastructure projects designed to protect and restore water quality in local communities. Administrative oversight of the loan program has historically been funded through federal grants that may be eliminated within the next few years. DOE faces a projected deficit in the 2013-15 biennium in federal funds used to manage the loan program. Chapter 96, Laws of 2013 (SHB 1141), establishes a new loan administration charge for the loan program, and funding is shifted permanently from the Water Pollution Control Revolving Account to the new Water Pollution Control Revolving Administration Account. Bridge funding from the State Toxics Control Account is provided to close the anticipated 2013-15 shortfall in funding for program oversight and administration. (Water Pollution Control Revolving Account-State, Water Pollution Control Revolving Administration Account-State, State Toxics Control Account-State)
19. **Stormwater Training Program** - To address pollution resulting from stormwater runoff, DOE updated municipal stormwater permits to require stormwater-reducing, low-impact development (LID) practices, where feasible, for new development and redeveloped properties. LID is a suite of construction technologies that use vegetation, healthy soils, porous pavement, and other tools to keep stormwater from running off-site and carrying pollution downstream. Funding and FTE staff are provided through FY 2017 for DOE to implement a comprehensive training plan for a wide range of audiences and stakeholders with a role in implementing LID techniques. (State Toxics Control Account-State)
20. **Spokane Rivr Toxic Source Abatement** - Sampling in the Spokane River has consistently found elevated levels of polychlorinated biphenyls (PCBs). In 2011 DOE issued wastewater discharge permits requiring municipal and industrial dischargers to serve, along with community stakeholders and the Spokane Tribe, on a Regional Toxics Task Force (Task Force) to develop a comprehensive plan to bring the Spokane River into compliance with applicable water quality standards for PCBs. One-time funding is provided for implementing the Task Force's highest-priority recommendations, due in April 2013. (State Toxics Control Account-State)
21. **Protecting Washington Shorelines** - DOE provides financial and technical assistance to local governments to update their local shoreline master programs. Base operating funding is insufficient to complete shoreline updates in time to meet statutory deadlines resulting from a 2003 negotiated legal settlement. One-time funding and FTE staff are provided for grants to local governments to complete their updates and for DOE staff to provide technical assistance, financial accountability, and final review of shoreline updates. (Environmental Legacy Stewardship Account-State)
22. **Ultrafine Particulate Study** - One-time pass-through funding is provided for a study to evaluate ultrafine particulate air pollutants generated by biomass co-generation facilities near Port Townsend and Port Angeles. The study is designed to determine whether or not the planned facilities will have an impact on air quality and the health of nearby residents. (State Toxics Control Account-State)
23. **Derelict and Abandoned Vessels** - Chapter 291, Laws of 2013 (ESHB 1245), authorizes several state agencies to continue existing activities and begin new activities aimed at reducing the number of instances of derelict vessels in waters of the state, and to reduce the complexity and severity of environmental degradation associated with derelict vessels. Ongoing funding and FTE staff are provided for DOE to revise current or establish new general permits specific to hazardous material associated with the deconstruction, removal, and disposal of derelict vessels, and for technical assistance and site inspections for facilities that are regulated under the permit. (Water Quality Permit Account-State)
24. **Wastewater Discharge Fees** - DOE manages about 6,000 wastewater and stormwater discharge permits held by governmental, commercial, and industrial entities. The state Water Pollution Control Act authorizes DOE to collect permit fees to fully recover program costs; however, current fees do not cover some permit categories. Funding and FTE staff are increased on an ongoing basis to reflect increased fees on underpaying categories and the new resources will focus on such priorities as source-control inspections and monitoring in Seattle's Duwamish waterway, and inspections in the Spokane area and other currently underserved permit categories. (Water Quality Permit Account-State)
25. **Shift GF-S to State Toxics** - Environmental program expenditures supported by the state general fund are shifted on a one-time basis to STCA. (General Fund-State, State Toxics Control Account-State)
26. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
27. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)

Department of Ecology

28. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
29. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
30. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

State Parks and Recreation Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	17,334	125,018	142,352
2013 Supplemental *	0	275	275
Total 2011-13 Biennium	17,334	125,293	142,627
2013-15 Maintenance Level	0	107,675	107,675
Policy Changes - Other			
1. Funding Northwest Avalanche Center	158	0	158
2. Funding Essential Parks Activities	8,350	11,700	20,050
3. Attorney General Legal Services	0	-6	-6
4. CTS Central Services	0	174	174
5. DES Central Services	0	-47	-47
6. Boating Safety	0	37	37
Policy -- Other Total	8,508	11,858	20,366
Policy Changes - Comp			
7. New Step M for Classified-Yr 1 Impl	0	840	840
8. New Step M for Classified-Yr 2 Impl	0	35	35
9. State Employee Health Insurance	0	-227	-227
10. Wellness - Smoker Surcharge	0	-33	-33
11. PEBB - Coverage Waiver Surcharge	0	-204	-204
Policy -- Comp Total	0	411	411
Total 2013-15 Biennium	8,508	119,944	128,452
Fiscal Year 2014 Total	4,254	59,870	64,124
Fiscal Year 2015 Total	4,254	60,074	64,328

Comments:

1. **Funding Northwest Avalanche Center** - The State Parks and Recreation Commission (State Parks) is one of several state, federal, and local partners that cooperatively fund the Northwest Weather and Avalanche Center (NWAC), which collects and continuously updates mountain snow conditions and provides avalanche and weather forecasts online. Ongoing grant funding is provided to State Parks for grants to NWAC.
2. **Funding Essential Parks Activities** - Under Chapter 15, Laws of 2013, 2nd sp.s. (ESSB 5897), State Parks is provided \$10 million from the Waste Reduction, Recycling and Litter Control Account (WRRLCA) for use in parks operations and maintenance. An additional \$1.7 million from WRRLCA and state general funds are provided for state park operations and maintenance during the 2013-15 biennium to address lower-than-originally anticipated public participation in and resulting revenue from the Discover Pass. (General Fund-State, Waste Reduction, Recycling and Litter Control Account-State)
3. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (Other Funds)
4. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
5. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (Other Funds)
6. **Boating Safety** - Chapter 278, Laws of 2013 (SSB 5437), makes operating a vessel while under the influence of alcohol, marijuana or any drug a gross misdemeanor offense and establishes boating safety criteria for any person who has vessels for rent, lease, charter, or use. State Parks is provided one-time funding to implement the provisions of the bill, which include marine law enforcement training and training manual updates. (General Fund-Federal)
7. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
8. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and

State Parks and Recreation Commission

were not yet eligible for the increase during FY 2014. (Other Funds)

9. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
10. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
11. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the State Parks and Recreation Commission's budget is shown in the Transportation Budget Section of this document.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Recreation and Conservation Funding Board

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,721	7,594	9,315
2013-15 Maintenance Level	1,616	8,087	9,703
Policy Changes - Other			
1. CTS Central Services	29	43	72
2. DES Central Services	-4	-6	-10
3. Invasive Species Council Funding	0	86	86
Policy -- Other Total	25	123	148
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	0	22	22
5. New Step M for Classified-Yr 2 Impl	0	1	1
6. State Employee Health Insurance	-2	-7	-9
7. Wellness - Smoker Surcharge	0	-1	-1
8. PEBB - Coverage Waiver Surcharge	-1	-8	-9
Policy -- Comp Total	-3	7	4
Total 2013-15 Biennium	1,638	8,217	9,855
Fiscal Year 2014 Total	823	4,114	4,937
Fiscal Year 2015 Total	815	4,103	4,918

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Invasive Species Council Funding** - The Washington Invasive Species Council (Council) coordinates response, prevention, and education actions by federal, state, tribal, local, and non-governmental partners on invasive species. Ongoing funding to support the Council is shifted from the Vessel Response Account to the Aquatic Lands Enhancement Account to reflect lower-than-anticipated revenues in the Vessel Response Account. (Vessel Response Account-State, Aquatic Lands Enhancement Account-State)
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Environmental and Land Use Hearings Office

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	4,173	0	4,173
2013-15 Maintenance Level	4,388	0	4,388
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. DES Central Services	-1	0	-1
Policy -- Other Total	-2	0	-2
Policy Changes - Comp			
3. State Employee Health Insurance	-6	0	-6
4. Wellness - Smoker Surcharge	-1	0	-1
5. PEBB - Coverage Waiver Surcharge	-5	0	-5
Policy -- Comp Total	-12	0	-12
Total 2013-15 Biennium	4,374	0	4,374
Fiscal Year 2014 Total	2,227	0	2,227
Fiscal Year 2015 Total	2,147	0	2,147

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
3. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
4. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
5. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

State Conservation Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	13,209	1,301	14,510
2013-15 Maintenance Level	13,045	1,301	14,346
Policy Changes - Other			
1. Cons System Investment for Results	0	1,000	1,000
2. Voluntary Stewardship-State Support	546	1,000	1,546
3. Attorney General Legal Services	-1	0	-1
4. DES Central Services	-2	0	-2
Policy -- Other Total	543	2,000	2,543
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	6	0	6
6. New Step M for Classified-Yr 2 Impl	2	0	2
7. State Employee Health Insurance	-9	0	-9
8. Wellness - Smoker Surcharge	-1	0	-1
9. PEBB - Coverage Waiver Surcharge	-7	0	-7
Policy -- Comp Total	-9	0	-9
Total 2013-15 Biennium	13,579	3,301	16,880
Fiscal Year 2014 Total	6,841	1,650	8,491
Fiscal Year 2015 Total	6,738	1,651	8,389

Comments:

1. **Cons System Investment for Results** - Funding is provided for technical assistance and incentive-based program support. (State Toxics Control Account-State)
2. **Voluntary Stewardship-State Support** - In 2011 the Legislature established the Voluntary Stewardship Program (VSP) at the State Conservation Commission (SCC) as a new approach for counties to protect critical areas while maintaining agricultural production through watershed-based incentives. Funding is provided on an ongoing basis to initiate the program in Thurston County and Chelan County and other participating jurisdictions in future biennia. Federal expenditure authority is increased in anticipation of SCC successfully obtaining federal funds, in which case the VSP would expand to additional counties during the 2013-15 biennium. (General Fund-State, General Fund-Federal)
3. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
6. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements.
- Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
7. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the

State Conservation Commission

employer funding rate in FY 2015 by approximately \$24 per month.

Department of Fish and Wildlife

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	57,716	304,378	362,094
2013 Supplemental *	2,799	-5,045	-2,246
Total 2011-13 Biennium	60,515	299,333	359,848
2013-15 Maintenance Level	68,541	303,612	372,153
Policy Changes - Other			
1. PILT Adjustment	-2,073	-1,382	-3,455
2. Shift HPA Pgm Exp to ALEA	-2,336	2,336	0
3. Suspend Winter Elk Feeding	-300	0	-300
4. Shift PS Toxic Sampling to STCA	-43	43	0
5. Shift AIS and Ballast Wtr to ALEA	-175	175	0
6. Shift Comm. Shellfish Mgmt to ALEA	-94	94	0
7. Shift Water Quality Lab to STCA	-96	96	0
8. Shift Hatchery NPDES to STCA	-121	121	0
9. Shift GMA/SMA to STCA	-250	250	0
10. Shift Hatchery Expenses to ALEA	-4,400	4,400	0
11. Attorney General Legal Services	-6	-21	-27
12. CTS Central Services	58	233	291
13. DES Central Services	-43	-171	-214
14. Wildlife Area Operations & Maint	0	1,094	1,094
15. New WILD System	0	563	563
16. Pt. Whitney Staff Relocation	0	168	168
17. Vancouver Region Office Relocation	0	327	327
18. Reduce Deer & Elk Property Damage	0	400	400
19. Science and Public Policy	50	0	50
20. Invasive Species Passport	0	10	10
21. Cowlitz River Chinook Production	100	500	600
22. Clark Creek and Lakewood Hatchery	200	100	300
23. Wolf Conflict Management	0	1,576	1,576
Policy -- Other Total	-9,529	10,912	1,383
Policy Changes - Comp			
24. New Step M for Classified-Yr 1 Impl	494	1,760	2,254
25. New Step M for Classified-Yr 2 Impl	10	46	56
26. State Employee Health Insurance	-96	-442	-538
27. Wellness - Smoker Surcharge	-14	-65	-79
28. PEBB - Coverage Waiver Surcharge	-86	-396	-482
Policy -- Comp Total	308	903	1,211
Total 2013-15 Biennium	59,320	315,427	374,747
Fiscal Year 2014 Total	30,321	151,612	181,933
Fiscal Year 2015 Total	28,999	163,815	192,814

Comments:

- PILT Adjustment** - The Department of Fish and Wildlife (WDFW) is statutorily obligated to make payments in-lieu of taxes (PILT) to counties in the state that opt to collect PILT rather than keep revenue from fines assessed for hunting regulation violations. During the 2013-15 biennium, PILT to counties is rolled back to their 2009 levels. (General Fund-State, General Fund-Federal)
- Shift HPA Pgm Exp to ALEA** - The Hydraulic Project Approval (HPA) Program permits projects that use, divert, obstruct, or change the natural flow or bed of any of the salt or

freshwaters of the state. To achieve state general fund savings during the 2013-15 biennium, 49 percent of the HPA's state general fund expenditures are transferred to the Aquatic Lands Enhancement Account (ALEA) on a one-time basis. (General Fund-State, Aquatic Lands Enhancement Account-State)

- Suspend Winter Elk Feeding** - WDFW maintains two primary elk feeding stations to reduce conflicts with agricultural operations. During the 2013-15 biennium, the elk feeding budget is reduced by 50 percent to achieve state general fund savings.

Department of Fish and Wildlife

4. **Shift PS Toxic Sampling to STCA** - WDFW samples two key indicator fish species to inform policy and decision makers about the presence of toxic contaminants in the Puget Sound food web and the general health of Puget Sound. Funding for this work is shifted on an ongoing basis from ALEA and the state general fund to the Environmental Legacy Stewardship Account (ELSA). (General Fund-State, Aquatic Lands Enhancement Account-State, Environmental Legacy Stewardship Account-State)
5. **Shift AIS and Ballast Wtr to ALEA** - WDFW monitors commercial vessels entering Washington ports that have the highest risk of transporting aquatic invasive species in their ballast water. WDFW also monitors the spread of aquatic invasive species in the state and provides for cleaning and containment of infested areas. Funding for this work is shifted on an ongoing basis from the state general fund to ALEA. (General Fund-State, Aquatic Lands Enhancement Account-State)
6. **Shift Comm. Shellfish Mgmt to ALEA** - WDFW manages recreational and commercial shellfish fisheries and is responsible for protecting species and their habitat. Funding for this work is shifted on an ongoing basis from the state general fund to ALEA. (General Fund-State, Aquatic Lands Enhancement Account-State)
7. **Shift Water Quality Lab to STCA** - WDFW analyzes water samples from its hatchery water intakes and outfalls for fish waste and chemical content under the pollution discharge permit issued by the Department of Ecology (DOE). These analyses are compiled into a mandatory compliance report. Funding for the water quality laboratory is shifted on an ongoing basis from the state general fund to ELSA. (General Fund-State, Environmental Legacy Stewardship Account-State)
8. **Shift Hatchery NPDES to STCA** - Hatchery facilities operated by WDFW must obtain National Pollution Discharge Elimination System (NPDES) permits administered by DOE. Funding to pay the permit fees is shifted on an ongoing basis from the state general fund to ELSA. (General Fund-State, Environmental Legacy Stewardship Account-State)
9. **Shift GMA/SMA to STCA** - WDFW supports local governments in implementing the Shoreline Management Act. Funding for this work is shifted on an ongoing basis from the state general fund to ELSA. (General Fund-State, Environmental Legacy Stewardship Account-State)
10. **Shift Hatchery Expenses to ALEA** - WDFW produces fish at state-operated hatcheries for recreational and commercial fisheries and to recover threatened and endangered fish populations. During the 2013-15 biennium, a portion of hatchery expenditures funded through the state general fund are shifted to ALEA. (General Fund-State, Aquatic Lands Enhancement Account-State)
11. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
12. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
13. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
14. **Wildlife Area Operations & Maint** - WDFW generates revenue through timber thinning, agriculture agreements, easements, and other activities on wildlife area lands operated with a federal Pittman-Robertson grant and state funds. Federal expenditure authority is increased, in addition to the expenditure authority from the State Wildlife Account (SWA) that is required as matching funds, on an ongoing basis to address operation and maintenance needs on WDFW wildlife area lands. (General Fund-Federal, State Wildlife Account-State)
15. **New WILD System** - WDFW's automated licensing system, the Washington Interactive Licensing Database (WILD), is the system through which hunting and fishing licenses and Discover Passes are sold. The WILD contract with the current vendor expires in FY 2014. A new licensing vendor was contracted to build a new WILD system and may request up to \$1 million in payment for services rendered and equipment purchased and installed. This payment would be a loan paid back to WDFW in the form of the contractor taking a lower percentage of the transaction fee revenue. There is available fund balance within the restricted sub-account of SWA where transaction fee revenue is deposited, and expenditure authority is increased to cover the costs of the new system. (State Wildlife Account-State)
16. **Pt. Whitney Staff Relocation** - WDFW shares office space with a private commercial fish grower at WDFW's Point Whitney shellfish facility in Brinnon. The commercial grower wishes to expand operations and expenditure authority is increased in SWA to reflect an increase in revenue expected with the expanded lease. Funds are provided for WDFW staff stationed at Point Whitney to be relocated to a more urban location closer to the majority of WDFW's work stations in this region. (State Wildlife Account-State)
17. **Vancouver Region Office Relocation** - During the 2013-15 biennium, WDFW will relocate its southwest regional office to improve accessibility and public safety, reduce travel costs for field operations, and provide adequate space and protection of WDFW equipment. Funding is provided on a one-time basis for moving and associated relocation costs. (State Wildlife Account-State)
18. **Reduce Deer & Elk Property Damage** - A Wildlife Conflict Management Program is established to address the increasing

Department of Fish and Wildlife

number of interactions between wildlife and humans. This program will provide resources to landowners and take measures to support sustainable wildlife populations. Ongoing funding from increased sales of multi-season deer and elk hunting permits will focus on conflicts creating chronic property damage in the most vulnerable areas of the state. (State Wildlife Account-State)

19. **Science and Public Policy** - Chapter 68, Laws of 2013 (HB 1112), requires WDFW to identify peer-reviewed science, scientific literature, and other sources of information reviewed by WDFW before taking a significant agency action and to make that information available on WDFW's website. Funding is provided on an ongoing basis for WDFW staff time to implement the provisions of the bill.
20. **Invasive Species Passport** - Funding is provided to develop a passport system for local boaters to combat invasive species. (Aquatic Lands Enhancement Account-State)
21. **Cowlitz River Chinook Production** - Funding is provided for WDFW to increase fall Chinook salmon production on the Cowlitz River and to secure local matching funds for the same purpose. (General Fund-State, State Wildlife Account-State, Columbia River Recreational Salmon and Steelhead Pilot Stamp Program Account-Nonappropriated)
22. **Clark Creek and Lakewood Hatchery** - Funding is provided for the transfer of trout from the Clarks Creek hatchery to the Lakewood hatchery and for increased production of Steelhead, Coho and Chinook salmon production at the Clarks Creek hatchery. (General Fund-State, State Wildlife Account-State)
23. **Wolf Conflict Management** - Chapter 329, Laws of 2013 (E2SSB 5193), increases the initial registration and renewal fees for personalized license plates by \$10 beginning in FY 2014 for deposit into the personalized license plate subaccount of SWA for the protection and management of nongame species as described in RCW 46.68.435. Expenditure authority is increased to reflect the additional ongoing revenue. (State Wildlife Account-State)
24. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
25. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
26. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified

savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)

27. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
28. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Fish and Wildlife's budget is shown in the Transportation Budget Section of this document.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Natural Resources

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	66,698	298,724	365,422
2013 Supplemental *	31,991	-2,707	29,284
Total 2011-13 Biennium	98,689	296,017	394,706
2013-15 Maintenance Level	90,842	304,346	395,188
Policy Changes - Other			
1. Shift Forest Practices Expenditures	-4,764	4,764	0
2. Marine Spatial Planning	0	-500	-500
3. Remove Derelict Vessel	0	600	600
4. Adaptive Mgmt for PS Recovery	0	1,850	1,850
5. Restore Aquatic Lands	0	1,320	1,320
6. Remove Creosote Piling	0	1,000	1,000
7. Remove Large Debris	0	824	824
8. Manage Aquatic Reserves	0	150	150
9. Eradicate Invasive Species	0	500	500
10. Investigate Outfalls on Aquatic Lds	0	250	250
11. Attorney General Legal Services	-13	-30	-43
12. CTS Central Services	82	202	284
13. DES Central Services	-50	-127	-177
14. Aquatic Lands Business Management	0	2,382	2,382
15. Aquatic Land Investigation/Cleanup	0	1,948	1,948
16. Protect Clean Water, Forests & Fish	0	739	739
17. Geoduck Diver Safety Program	0	265	265
18. Derelict and Abandoned Vessels	0	425	425
19. Map Aggregate Resources	0	395	395
20. Yakima Land Purchase	664	400	1,064
21. Enforcement Officers	500	0	500
22. Trust Land Productivity and Revenue	0	8,373	8,373
Policy -- Other Total	-3,581	25,730	22,149
Policy Changes - Comp			
23. New Step M for Classified-Yr 1 Impl	542	1,514	2,056
24. New Step M for Classified-Yr 2 Impl	12	69	81
25. State Employee Health Insurance	-102	-336	-438
26. Wellness - Smoker Surcharge	-15	-49	-64
27. PEBB - Coverage Waiver Surcharge	-91	-301	-392
Policy -- Comp Total	346	897	1,243
Total 2013-15 Biennium	87,607	330,973	418,580
Fiscal Year 2014 Total	42,515	161,980	204,495
Fiscal Year 2015 Total	45,092	168,993	214,085

Comments:

- Shift Forest Practices Expenditures** - The Forest Practices Program processes forest practices permits and enforces the state Forest and Fish Rules. During the 2013-15 biennium, 20 percent of the program's state general fund expenditures are shifted to dedicated accounts. (General Fund-State, Environmental Legacy Stewardship Account-State, Aquatic Lands Enhancement Account-State)
- Marine Spatial Planning** - Marine spatial planning is a process that brings together multiple stakeholders to make decisions about how to use marine resources. The work is funded through the Marine Resources Stewardship Trust

Account, which receives funding during the 2013-15 biennium by a transfer from ALEA. Funding is provided for marine spatial planning activities and efforts including mapping, ecological assessment, data tools, and stakeholder engagement. (Marine Resources Stewardship Trust Account-State)

- Remove Derelict Vessel** - Ongoing funding from ALEA is provided to increase DNR's ability to remove and dispose of derelict vessels that pose risks related to hazardous materials and navigation. (Aquatic Lands Enhancement Account-State)
- Adaptive Mgmt for PS Recovery** - Adaptive management is the process of verifying that DNR rules are achieving their

Department of Natural Resources

policy objectives. Ongoing funding from the aquatics portion of RMCA is provided to establish an adaptive management program for Puget Sound and DNR's aquatic lands. Scientific information will be collected and integrated into decisions to avoid impacts on species and habitats and to enhance or restore habitat quality on state-owned aquatic lands, with a focus on Puget Sound recovery. (Resources Management Cost Account-State)

5. **Restore Aquatic Lands** - Ongoing funding from the aquatics portion of RMCA is provided for long-term planning and to enable DNR to provide funding to partners for large restoration projects on state-owned aquatic lands in support of the Puget Sound Action Agenda. (Resources Management Cost Account-State)
6. **Remove Creosote Piling** - One-time funding from the aquatics portion of RMCA is provided for DNR to remove pilings and creosote wood structures from Puget Sound, Hood Canal and other areas of the state. (Resources Management Cost Account-State)
7. **Remove Large Debris** - Ongoing funding from the aquatics portion of RMCA is provided for DNR to contract for the removal of large debris from state-owned aquatic lands. (Resources Management Cost Account-State)
8. **Manage Aquatic Reserves** - Ongoing funding from the aquatics portion of RMCA is provided for DNR to implement the management plans developed for each of the state's seven aquatic reserves. These plans outline baseline monitoring goals as well as education and outreach initiatives. (Resources Management Cost Account-State)
9. **Eradicate Invasive Species** - One-time funding from the aquatics portion of RMCA is provided for the completion of cooperative weed management agreements in the remaining areas of the state and implementation of the highest priority noxious weed eradication work. (Resources Management Cost Account-State)
10. **Investigate Outfalls on Aquatic Lds** - Ongoing funding is provided from the aquatics portion of RMCA for DNR to contract with other governmental entities or contractors to identify and recommend alternatives to existing outfalls, with the intention of decreasing the total volume of stormwater deposited into the state's waters. (Resources Management Cost Account-State)
11. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
12. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
13. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
14. **Aquatic Lands Business Management** - DNR manages 2.6 million acres of state-owned aquatic lands and more than 5,000 leases and contracts on those lands. Ongoing funding is provided from the aquatics portion of RMCA to address a backlog of expired leases and new applications. Additional staff will focus on processing new or reauthorized uses. Additionally, aquatic lease compliance data will be collected, stored, and analyzed to assess and ensure minimal impact to aquatic environments resulting from DNR-authorized uses. (Resources Management Cost Account-State)
15. **Aquatic Land Investigation/Cleanup** - DNR has been identified as a potential liable party by the Department of Ecology (DOE) under the Model Toxics Control Act on three Puget Sound basin cleanup efforts. Under DOE order, DNR is required to pay for a portion of the costs to complete remedial investigation work at Whitmarsh Landfill (Fidalgo Bay) and Mill Site A (Everett). In addition, DNR is required by an existing hydraulic project approval permit to perform final-year maintenance of the Olympic View Triangle site in Commencement Bay. One-time funding is provided from the Environmental Legacy Stewardship Account to cover these costs. (Environmental Legacy Stewardship Account-State)
16. **Protect Clean Water, Forests & Fish** - Expenditure authority is increased from the Forest and Fish Support Account to allow DNR to complete high priority Clean Water Act assurance milestones and Adaptive Management Program research and monitoring of projects necessary to support the Forest Practices Habitat Conservation Plan. Funding from the Forest Practices Application Account is provided to DNR to continue integrating hydraulic project approvals with the Forest Practices application. (Forest Practices Application Account-State, Forest and Fish Support Account-State)
17. **Geoduck Diver Safety Program** - Chapter 204, Laws of 2013 (2SHB 1764), creates the Geoduck Harvest Safety Committee which will submit recommendations regarding the establishment of a geoduck diver safety program. Funding is provided from the aquatics portion of RMCA for DNR to establish the safety criteria and the safety program and to implement the remaining provisions of the bill. (Resources Management Cost Account-State)
18. **Derelict and Abandoned Vessels** - Chapter 291, Laws of 2013 (ESHB 1245), authorizes several state agencies to continue existing and begin new activities aimed at reducing the number of instances of derelict vessels in waters of the state and to reduce the complexity and severity of environmental degradation associated with derelict vessels. Ongoing funding and FTE staff are provided for DNR to establish and administer a vessel turn-in program and to continue the removal and disposal of derelict vessels. (Derelict Vessel Removal Account-State)

Department of Natural Resources

19. **Map Aggregate Resources** - Aggregate resources (sand, gravel, and crushed stone) are used in road construction and in commercial and residential development. Local governments use aggregate resource maps to reduce permit costs and make long-term land use plans and decisions. Expenditure authority is increased in the Surface Mining Reclamation Account using available fund balance to conduct a three-year project that will result in one completed aggregate resource map each year for Pierce, Lewis, and Thurston counties. (Surface Mining Reclamation Account-State)
20. **Yakima Land Purchase** - Funding is provided to assess the condition of the land and perform weed management, road maintenance and other land management responsibilities associated with DNR's Yakima land purchase. (General Fund-State, Nonhighway and Off-Road Vehicle Account-State, Snowmobile Account-State)
21. **Enforcement Officers** - Funding is provided for DNR to increase the number of officers to protect the state's natural resources and ensure safe recreation on department-managed lands.
22. **Trust Land Productivity and Revenue** - Lands managed by DNR generate about \$205 million a year in non-tax revenues. Due to reduced revenues into the trust land management accounts in the past few years, trust and forest land management activities were suspended or reduced. Timber prices and revenues have since increased, and expenditure authority is thereby increased in the uplands portion of RMCA and the Forest Development Account to resume trust land management activities that were deferred, such as silviculture vegetation management, land surveying, and research and monitoring. (Forest Development Account-State, Resources Management Cost Account-State)
23. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
24. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
25. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
26. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
27. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Department of Agriculture

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	29,971	115,071	145,042
2013-15 Maintenance Level	30,272	122,769	153,041
Policy Changes - Other			
1. Reduce Fair Fund Expenditures	0	-194	-194
2. Attorney General Legal Services	-2	-5	-7
3. CTS Central Services	34	144	178
4. DES Central Services	-13	-56	-69
5. Fund Small Farm & Marketing Assist	250	0	250
6. Animal Traceability Program	0	850	850
Policy -- Other Total	269	739	1,008
Policy Changes - Comp			
7. New Step M for Classified-Yr 1 Impl	102	384	486
8. New Step M for Classified-Yr 2 Impl	10	56	66
9. State Employee Health Insurance	-29	-190	-219
10. Wellness - Smoker Surcharge	-4	-27	-31
11. PEBB - Coverage Waiver Surcharge	-26	-168	-194
Policy -- Comp Total	53	55	108
Total 2013-15 Biennium	30,594	123,563	154,157
Fiscal Year 2014 Total	15,300	61,443	76,743
Fiscal Year 2015 Total	15,294	62,120	77,414

Comments:

1. **Reduce Fair Fund Expenditures** - The Fair Account is reduced to balance actual available funds with spending authority. (Fair Fund-Nonappropriated)
2. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
5. **Fund Small Farm & Marketing Assist** - In 2001 the Small Farm and Direct Marketing Assistance Program was created to assist farmers selling directly to consumers. In 2008 the Farm to School Program was created to invest in new markets for Washington farms while increasing access to healthy foods. Funding is provided to partially restore the Small Farm and Direct Marketing Assistance and Farm to School Programs within the Department of Agriculture that were eliminated in 2011.
6. **Animal Traceability Program** - Expenditure authority is increased to reflect the anticipated revenue generated from the fee created in Chapter 204, Laws of 2011, Partial Veto (SHB 1538). Fee revenue will support establishing and operating a database and the related software needed for the animal disease traceability program, in addition to conducting the activities associated with the program. (Agricultural Local Fund-Non-Appropriated)
7. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
8. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
9. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer

Department of Agriculture

coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)

10. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
11. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget Section of this document.

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	1,613	1,613
2013-15 Maintenance Level	0	1,586	1,586
Policy Changes - Other			
1. CTS Central Services	0	1	1
Policy -- Other Total	0	1	1
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	0	4	4
3. State Employee Health Insurance	0	-2	-2
4. PEBB - Coverage Waiver Surcharge	0	-2	-2
Total 2013-15 Biennium	0	1,587	1,587
Fiscal Year 2014 Total	0	802	802
Fiscal Year 2015 Total	0	785	785

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (Other Funds)
2. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
3. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)
4. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (Other Funds)

Puget Sound Partnership

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	4,526	13,604	18,130
2013-15 Maintenance Level	4,746	12,309	17,055
Policy Changes - Other			
1. CTS Central Services	1	0	1
2. DES Central Services	-1	-2	-3
3. Levee Vegetation Demonstration	0	635	635
4. Puget Sound Steelhead Recovery	0	788	788
5. Adaptive Management and Grant Admin	0	450	450
Policy -- Other Total	0	1,871	1,871
Policy Changes - Comp			
6. State Employee Health Insurance	-6	-6	-12
7. Wellness - Smoker Surcharge	-1	-1	-2
8. PEBB - Coverage Waiver Surcharge	-5	-7	-12
Policy -- Comp Total	-12	-14	-26
Total 2013-15 Biennium	4,734	14,166	18,900
Fiscal Year 2014 Total	2,416	7,118	9,534
Fiscal Year 2015 Total	2,318	7,048	9,366

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Levee Vegetation Demonstration** - One-time funding and FTE staff are provided for two watershed-based demonstration projects intended to address and resolve conflicting demands and federal policies that affect floodplains. The Puget Sound Partnership (PSP) will pass funds through to local governments that will conduct risk assessments of their levees and flood control facilities and develop a prioritized capital project list for submittal to the U.S. Army Corps of Engineers for approval. (Aquatic Lands Enhancement Account-State)
4. **Puget Sound Steelhead Recovery** - One-time funding is provided for PSP to coordinate a study of juvenile steelhead marine survival conducted by the Department of Fish and Wildlife, based on a study plan developed in cooperation with federal, tribal and nongovernmental entities. (Aquatic Lands Enhancement Account-State)
5. **Adaptive Management and Grant Admin** - PSP is responsible for developing science-based revisions to the Puget Sound Action Agenda (Action Agenda) through the adaptive management process. Federal funds were provided to PSP in 2012 and ongoing expenditure authority is increased to support continued updates to the Action Agenda. In addition, FTE staff are provided for coordinating projects, management of federal grant reporting requirements, and administrative workload increases. (General Fund-Federal)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
8. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the

Puget Sound Partnership

employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act only includes a portion of the total funding for the Washington State Patrol (WSP) and the Department of Licensing (DOL).

Washington State Patrol

A total of \$4.2 million in costs is shifted in WSP between the state general fund and the Death Investigations Account.

A total of \$4 million from the Enhanced 911 Account and the Fingerprint Identification Account are provided for WSP to begin upgrades to the state Criminal History Records System and to convert approximately 17 million records stored on microfiche to a digital format.

Department of Licensing

DOL is provided \$566,000 in expenditure authority to expand metal theft prevention and establish a licensing and regulatory program for scrap metal. The program requires a person engaging in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier to obtain a scrap metal license, pursuant to Chapter 322, Laws of 2013 Partial Veto (ESHB 1552).

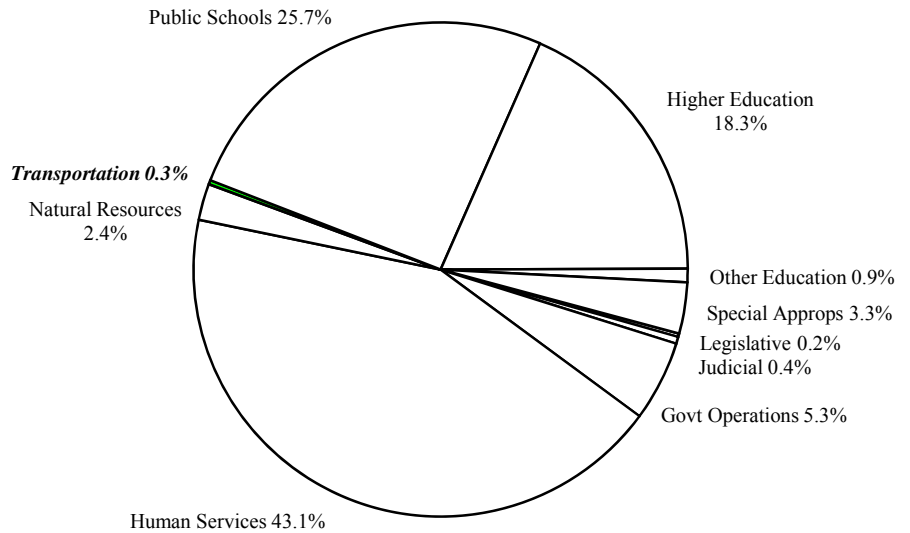
Pursuant to Chapter 187, Laws of 2013 (SHB 1779), DOL is provided expenditure authority for one-time costs associated with the creation and regulation of an endorsement for master estheticians, including a definition of scope of practice and an increase in required school hours for the endorsement.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

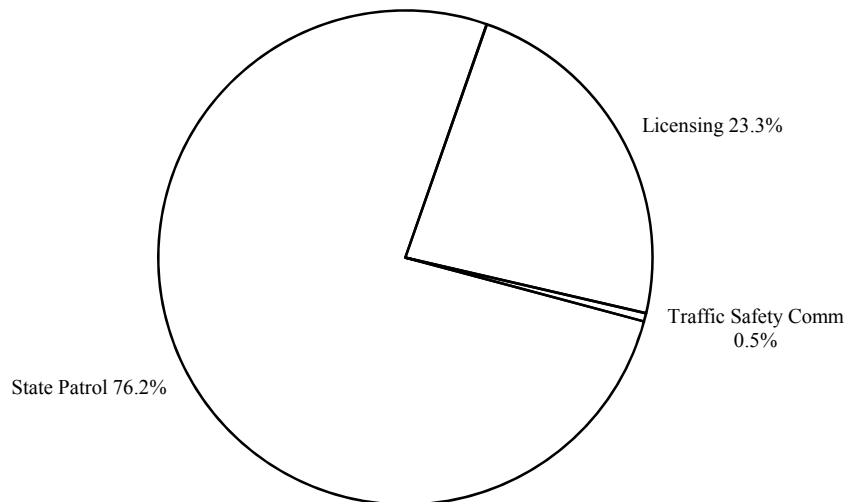
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

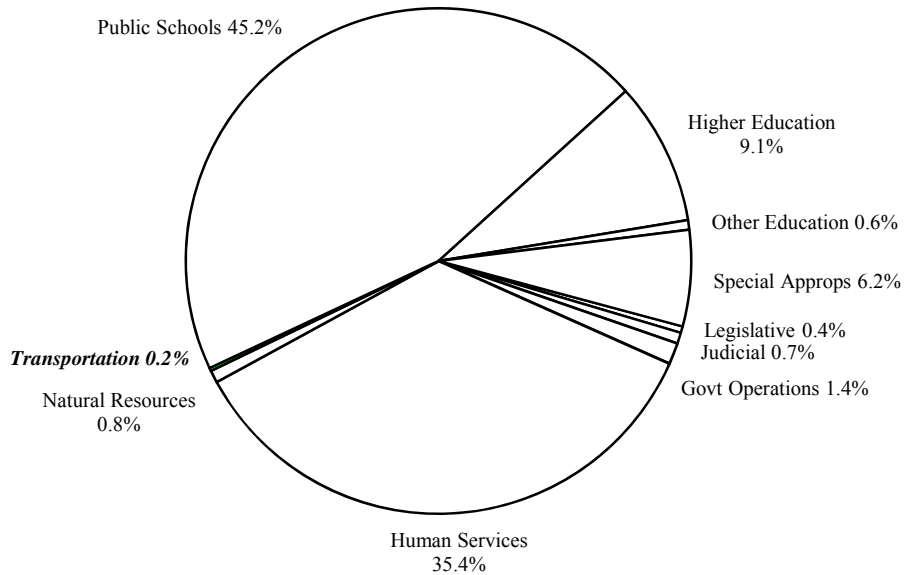
Washington State Patrol	138,577
Dept of Licensing	42,360
Traffic Safety Comm	982
Transportation	181,919



Transportation

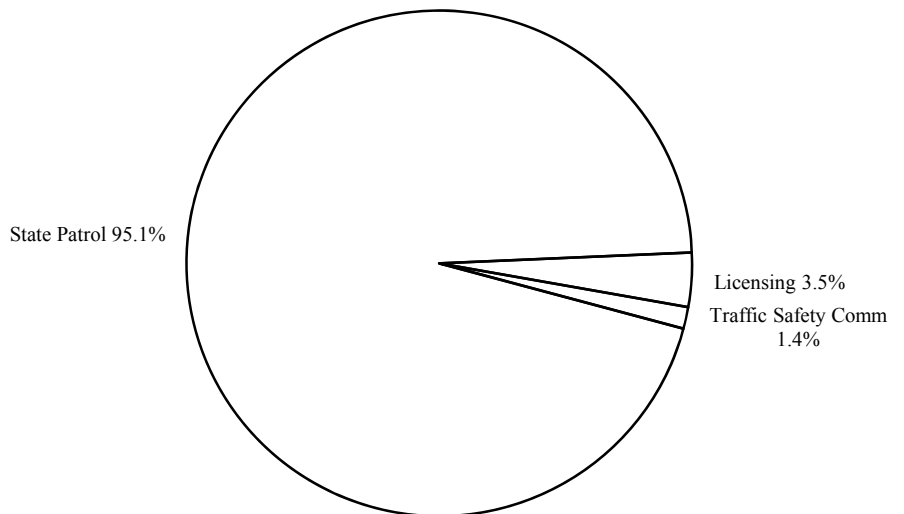
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

Washington State Patrol	67,138
Dept of Licensing	2,444
Traffic Safety Comm	982
Transportation	70,564



Transportation

Department of Licensing

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	2,442	38,096	40,538
2013-15 Maintenance Level	2,451	38,666	41,117
Policy Changes - Other			
1. Attorney General Legal Services	-1	-15	-16
2. Administrative Hearings	0	1	1
3. CTS Central Services	2	22	24
4. DES Central Services	-1	-12	-13
5. Debt Collection Practices	0	592	592
6. Master Esthetician License	0	166	166
7. Scrap Metal Theft	0	566	566
8. Wolf Conflict Management	0	32	32
Policy -- Other Total	0	1,352	1,352
Policy Changes - Comp			
9. New Step M for Classified-Yr 2 Impl	0	12	12
10. State Employee Health Insurance	-3	-56	-59
11. Wellness - Smoker Surcharge	-1	-7	-8
12. PEBB - Coverage Waiver Surcharge	-3	-51	-54
Policy -- Comp Total	-7	-102	-109
Total 2013-15 Biennium	2,444	39,916	42,360
Fiscal Year 2014 Total	1,103	20,430	21,533
Fiscal Year 2015 Total	1,341	19,486	20,827

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (Other Funds)
3. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
4. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
5. **Debt Collection Practices** - Expenditure authority is approved to implement licensing requirements for persons or entities engaged in the business of purchasing delinquent debt for collection purposes to be licensed as collection agencies under the Collection Agency Act (CAA) and to comply with all other requirements of the CAA. (Business and Professions Account-State).
6. **Master Esthetician License** - Provides expenditure authority for one-time costs associated with the creation and regulation of an endorsement for master estheticians under Chapter 187, Laws of 2013 (SHB 1779), including a definition of scope of practice and an increase in required school hours for this endorsement. (Business and Professions Account-State).
7. **Scrap Metal Theft** - Provides expenditure authority to expand metal theft prevention and establish a licensing and regulatory program within the Department of Licensing (DOL) under Chapter 322, Laws of 2013 Partial Veto (ESHB 1552). It requires a person engaging in the business of a scrap metal processor, scrap metal recycler, or scrap metal supplier to obtain a scrap metal license. (Business and Professions Account).
8. **Wolf Conflict Management** - Chapter 329, Laws of 2013 (E2SSB 5193), increases the initial and renewal registration fee for personalized license plates. One-time funding is provided for DOL to make the necessary modifications to its software and licensing systems to reflect the increased fee.
9. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)

Department of Licensing

10. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
11. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
12. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Licensing's budget is shown in the Transportation Budget Section of this document.

Washington State Patrol

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	67,718	61,843	129,561
2013 Supplemental *	9,624	0	9,624
Total 2011-13 Biennium	77,342	61,843	139,185
2013-15 Maintenance Level	70,648	62,658	133,306
Policy Changes - Other			
1. Attorney General Legal Services	-4	0	-4
2. CTS Central Services	114	0	114
3. DES Central Services	-45	0	-45
4. Criminal History System Upgrade	0	3,480	3,480
5. Sergeant Mobile Laptop Computers	85	0	85
6. Crim. History Microfilm Conversion	0	536	536
7. Firearm Offenders	0	154	154
8. Aviation Rent and Utilities	64	0	64
9. Firefighter Apprenticeship	0	300	300
10. Crime Lab GF-S/Death Investigations	-4,226	4,226	0
Policy -- Other Total	-4,012	8,696	4,684
Policy Changes - Comp			
11. WSP Lieutenants' Association	40	0	40
12. WSP Troopers' Association	337	18	355
13. New Step M for Classified-Yr 1 Impl	308	156	464
14. New Step M for Classified-Yr 2 Impl	28	12	40
15. State Employee Health Insurance	-104	-49	-153
16. Wellness - Smoker Surcharge	-15	-7	-22
17. PEBB - Coverage Waiver Surcharge	-92	-45	-137
Policy -- Comp Total	502	85	587
Total 2013-15 Biennium	67,138	71,439	138,577
Fiscal Year 2014 Total	34,653	35,059	69,712
Fiscal Year 2015 Total	32,485	36,380	68,865

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- Criminal History System Upgrade** - Funding is provided for the replacement of the Washington State Identification System and Washington Crime Information Center, which store and share criminal justice information within Washington State and with other states, federal agencies, and other countries. This funding will begin a phased upgrade to current technology capable of interfacing with modern web-based systems. (Enhanced 911 Account-State)
- Sergeant Mobile Laptop Computers** - The Mobile Office Platform Program is expanded to include sergeant vehicles. This program impacts both the omnibus appropriations budget and the transportation budget. This funding represents only the General Fund-State portion of the total program costs.
- Crim. History Microfilm Conversion** - Funding is provided to begin conversion of the microfilm library of approximately 17 million source documents to electronic images. (Fingerprint Identification Account-State)
- Firearm Offenders** - Funding is provided for implementation of Chapter 183, Laws of 2013 (SHB 1612). The Washington State Patrol (WSP) must build a new database containing felony firearms convictions within the state's existing criminal records system.
- Aviation Rent and Utilities** - Costs are shared between the omnibus appropriations budget and the transportation budget for aviation hangar rental and utility costs based on flight hours. Under this policy the transportation budget is responsible for 93 percent of the hangar rental and utility costs. The policy is

Washington State Patrol

changed to reflect a fifty-fifty cost split based on space utilized by WSP's two King Air jets and the Cessna Program planes.

9. **Firefighter Apprenticeship** - Funding to support the Fire Fighter Apprenticeship Program is increased. (Fire Services Account-State)
10. **Crime Lab GF-S/Death Investigations** - Funding from the state general fund for the state crime lab is reduced and appropriation authority is increased from the Death Investigations Account for the 2013-15 biennium. (General Fund-State, Death Investigations Account-State)
11. **WSP Lieutenants' Association** - Funding is provided for the arbitration award for the WSP Lieutenants' Association that includes a pay increase of 3 percent effective July 1, 2014, and paid parking for assigned agency vehicles for non-reserved parking on the Capitol campus. (General Fund-State, State Highway Account-State, State Patrol Highway Account-Federal)
12. **WSP Troopers' Association** - Funding is provided for the arbitration award for the WSP Troopers' Association that includes a pay increase of 3 percent effective July 1, 2013, and a longevity pay increase of 1 percent for troopers in their 5th through 9th years, effective July 1, 2014. (General Fund-State, General Fund-Federal, State Patrol Highway Account-State, Various Other Accounts)
13. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
14. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
15. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
16. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by

approximately \$4 per month. (General Fund-State, Other Funds)

17. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget Section of this document.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Washington Traffic Safety Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	0	0
2013-15 Maintenance Level	0	0	0
Policy Changes - Other			
1. E2SSB 5912	982	0	982
Policy -- Other Total	982	0	982
Total 2013-15 Biennium	982	0	982
Fiscal Year 2014 Total	446	0	446
Fiscal Year 2015 Total	536	0	536

Comments:

- E2SSB 5912** - Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs to reduce impaired driving. For the 2013-15 biennium a total of \$5 million general fund-state and \$1.5 million in federal funds are appropriated to the Washington State Traffic Safety Commission (WSTC), the Department of Social and Health Services, the Department of Corrections, and special appropriations to the Governor as grants for additional county deputy prosecuting attorney positions. For WSTC, \$352,000 general fund-state is appropriated for deposit into the newly created 24/7 Sobriety Account to reimburse state costs associated with establishing the 24/7 Sobriety Program and for program administration costs incurred by the Washington Association of Sheriffs and Police Chiefs. In addition, \$630,000 general fund-state is appropriated to WTSC for allocation to counties for the increased incarceration costs incurred as a result of the mandatory arrest of repeat driving under the influence offenders.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Washington Traffic Safety Commission's budget is shown in the Transportation Budget Section of this document.

Public Schools

Enhancements to the Program of Basic Education

Materials, Supplies, and Operating Costs

A total of \$374 million is provided to continue implementation of the enhancement to the Materials, Supplies, and Operating Costs (MSOC) component of the prototypical school funding formula. The allocation per FTE student is increased from \$562.88 to \$737.02 in school year 2013-14 and \$781.72 in school year 2014-15. The school year 2013-14 and 2014-15 allocations fund approximately 37 percent and 44 percent, respectively, of the difference between the maintenance level funding allocation and the actual audited student expenditures per FTE student by school districts, as reported by the Office of the Superintendent of Public Instruction (OSPI). Comparatively, these allocations fund approximately 28 percent and 33 percent, respectively, of the MSOC target identified in RCW 28A.150.260 (8)(b).

Learning Assistance Program

A total of \$143.1 million is provided to increase the number of state-funded instructional hours in the Learning Assistance Program (LAP) from 1.5156 hours per week per FTE student to 2.3975 hours per week. In addition, Chapter 18, Laws of 2013, 2nd sp.s., Partial Veto (ESSB 5946) broadens the permitted uses of LAP funds by school districts and prioritizes funds for early grade reading proficiency.

Implement the Expected Cost Pupil Transportation Funding Model

A total of \$131.7 million is provided to complete implementation of an expected cost Pupil Transportation Funding Model. Allocations are phased-in such that funding in school year 2013-14 is sufficient to achieve approximately 39 percent of full implementation and funding in school year 2014-15 is sufficient to achieve full implementation, as required by Chapter 548, Laws of 2009, Partial Veto (ESHB 2261) and Chapter 236, Laws of 2010 (SHB 2776). Upon full implementation in school year 2014-15, districts will receive state allocations as calculated under the Student Transportation Allocating Reporting System.

Reduce State-Funded Early Elementary Class Sizes

Funding is provided to continue implementation of reduced early elementary class sizes, as required by Chapter 236, Laws of 2010 (SHB 2776). Kindergarten and first grade class sizes in high poverty schools are reduced to 20.85 FTE students in school year 2013-14 and 20.30 FTE students in school year 2014-15. Allocations for the reduced class size in school year 2014-15 are provided to the extent, and proportionate to, the eligible school's demonstrated actual average class size, but not less than 24.10 FTE students. Funding for this enhancement to the program of basic education, totaling \$103.6 million, includes an assumption that all eligible schools will demonstrate the reduced, funded class size of 20.30 FTE students.

Increase State-Funded Instructional Hours

Beginning with fiscal year 2015, a total of \$97.0 million is provided to increase instructional hours from a district-wide average of 1,000 hours to 1,080 hours in each of grades seven through 12, as provided in Chapter 548, Laws of 2009, Partial Veto (ESHB 2261). The prototypical school funding formula is revised to provide an additional 2.2222 hours of instruction per week for students in grades seven through 12, beginning September 1, 2014.

Expand State-Funded Voluntary Full-Day Kindergarten

A total of \$89.8 million is provided to expand the percentage of state-funded voluntary full-day kindergarten classes. In school year 2012-13, allocations for state-funded voluntary full-day kindergarten covered 22 percent of kindergarten enrollment. In school years 2013-14 and 2014-15, state-funded voluntary full-day kindergarten is increased to 43.75 percent of kindergarten enrollment. New recipients of the allocations are determined by school poverty levels. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded voluntary full-day kindergarten by 2018.

Guidance Counseling and Parent Involvement Coordinator Prototypical School Funding Model Formula Enhancement

Funding is provided to support an enhancement to the prototypical school funding model by increasing the Parent Involvement Coordinator allocation by 0.0825 FTE staff for each prototypical elementary school, and increasing the Guidance Counselor allocations for the prototypical middle and high schools by 0.1 FTE staff. In total, \$24.1 million is provided, of which \$11.9 million supports the Parent Involvement Coordinator change and \$12.2 million supports the Guidance Counselor revision.

Transitional Bilingual Instruction Program Expansion

A total of \$18.9 million is provided to add state-funded supplemental instruction following a student's exit from the transitional bilingual instruction program (TBIP). The additional hours of instructional support are phased in over a two year period. In the 2013-14 school year, three hours per week are provided for each student who has exited the TBIP in the prior year. The supplemental instruction is fully implemented in the 2014-15 school year with three additional hours of instructional support per week for each student that exited the TBIP in the immediate prior two years, as provided in Chapter 9, Laws of 2013, 2nd sp.s (ESHB 2051).

Other Enhancements to Public Schools

Teacher and Principal Evaluation Project Training

A total of \$15.0 million is provided to continue implementation of the Teacher and Principal Evaluation Project, as provided in Chapter 35, Laws of 2012 (ESSB 5895). Within the amounts provided, \$5 million is a one-time allocation. The funding supports two broad training categories: (1) training for every teacher in the state to educate them in the new evaluation program and (2) ongoing, small team "train the trainer" series on student growth data for select staff from each school district.

Grants to Support Persistently Lowest-Achieving Schools

A total of \$10.3 million is provided to implement Chapter 159, Laws of 2013 (E2SSB 5329). The funding supports grants to school districts identified by OSPI as persistently lowest-achieving or as a Required Action District, as well as staffing and administration costs of the program at the OSPI.

Local Effort Assistance

A total of \$8.3 million is provided to support the estimated increase in Local Effort Assistance, resulting from enhancements to the program of basic education, including state funding allocations for: MSOC; early elementary class size reductions; continued implementation of state-funded voluntary full-day kindergarten; the LAP; the TBIP; increased instructional hours for grades seven through 12; guidance counselors and parent involvement coordinators; and completed implementation of the expected cost pupil transportation funding formula. Additionally, the per pupil inflator is revised such that it is 4.914 percent in both calendar years 2014 and 2015.

Various Other Enhancements to Public Schools

In addition to the enhancements discussed above, \$14.5 million is provided for: implementation of legislation adopted during the 2013 legislative session; continued support for programs previously supported by federal or private grants; dropout prevention and intervention programs; Science, Technology, Engineering and Math programs; college readiness programs; studies; and one-time workload increases.

Reductions and Savings

Suspend Cost of Living and Inflation Adjustments

Chapter 5, Laws of 2013, 2nd sp.s. (HB 2043) achieved one-time savings totaling \$298.5 million General Fund-State in the 2013-15 biennium by suspending the Cost of Living Adjustments (COLAs) required by Initiative 732 and the National Board bonus inflation adjustment required by RCW 28A.405.415. Initiative 732, approved by voters in 2000, requires an annual COLA for school employees based on the Seattle Consumer Price Index (CPI) for the prior school year. The COLAs, based on the March 2013 estimate of the Seattle CPI, are 2.5 percent for the 2013-14 school year and 1.8 percent for the 2014-15 school year. The total estimated savings from

suspending the COLAs is \$295.5 million. The remaining \$3.0 million savings results from suspending inflation adjustments to the National Board certification bonus, which would otherwise be adjusted by the Implicit Price Deflator.

Assessment Reforms

Chapter 22, Laws of 2013, 2nd sp.s. (EHB 1450) achieved ongoing savings totaling \$25.0 million by revising the statewide student assessments. The Superintendent of Public Instruction is directed to implement student assessments developed with a multistate consortium, beginning in the 2014-15 school year, and consolidate the current reading and writing exams into a single English language arts exam.

Prototypical School Funding Formula Implementation Hold Harmless Allocation

Ongoing savings totaling \$24.7 million are achieved through the elimination of the prototypical school funding formula implementation hold harmless allocation. Chapter 236, Laws of 2010 (SHB 2776) established new formulas for allocating funding for a number of basic education programs, including General Apportionment, the LAP, the Highly Capable Program, and the TBIP. The 2011-13 operating budget provided funding to hold districts harmless to per-student funding amounts that existed prior to the formula conversion that became effective September 1, 2011. The enhancements to the basic education programs described above eliminate the need for the hold harmless allocation.

Alternative Learning Experience Audit Recoveries

The State Auditor's Office (SAO) completed and released a summary of the 2010-11 school year audits of Alternative Learning Experience (ALE) programs on February 12, 2013, identifying up to \$26.9 million of possible overpayments to a total of 67 school districts. A one-time adjustment of \$11.1 million for audit recoveries based on the scope and size of the audit findings, adjusted for the historical ratio of SAO audit findings to the OSPI audit resolution recoveries for the ALE programs.

Other Reductions, Eliminations, and Savings

Reductions totaling \$16.5 million are achieved through the elimination of three grant programs and regional Education Technical Support Centers. Partially offsetting this reduction, as discussed above, is a revision to the LAP, which broadens the permitted use of the funds by school districts. Additionally, limited administrative staffing at the OSPI is maintained to support programs that school districts elect to continue within their current funding.

Chapter 18, Laws of 2013, 2nd sp.s., Partial Veto, (ESSB 5946) revised the ALE programs, defining them by course rather than program type. Additionally, ALE course funding is revised such that funding is based on the statewide average basic education allocation rate for high school students. This revision in funding results in estimated savings totaling \$1.6 million.

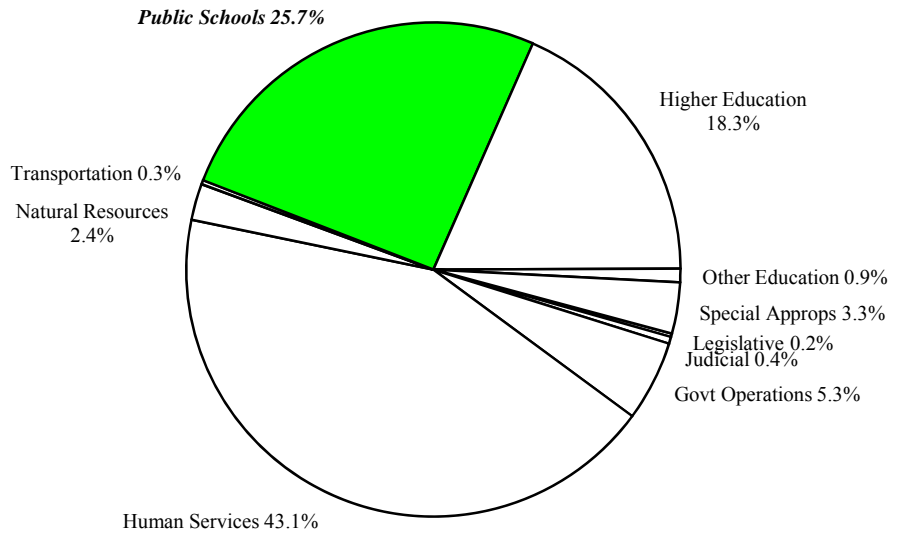
Savings totaling \$4.2 million are achieved through the continued suspension of the Alternative Routes Certification Program, which offers different options to traditional teacher preparation programs.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

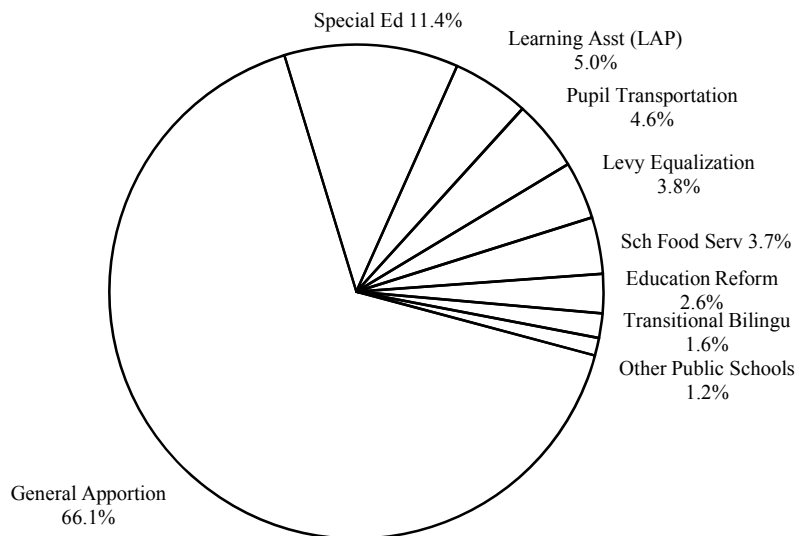
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

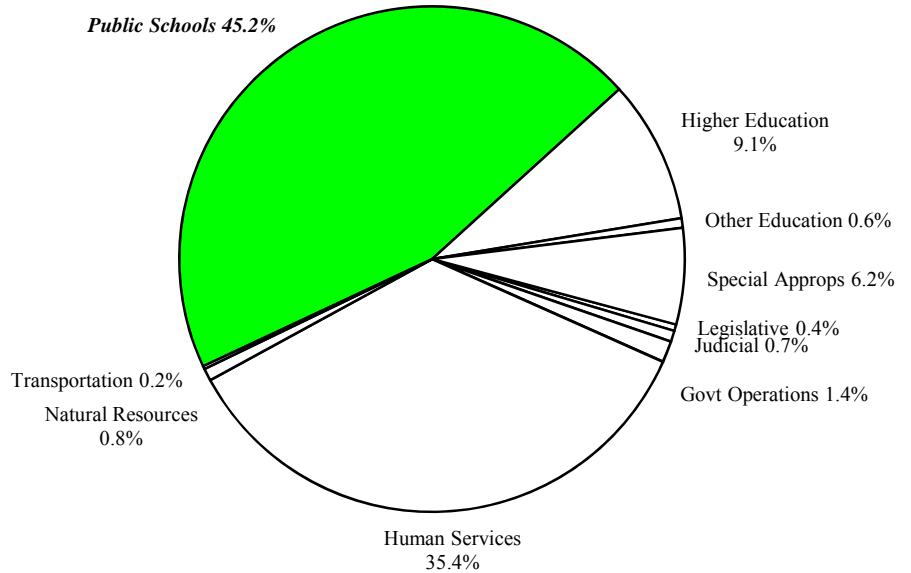
General Apportionment	11,305,188
Special Education	1,948,365
Learning Assist Pgm	863,125
Pupil Transpo	792,528
Levy Equalization	646,707
School Food Services	632,560
Education Reform	438,199
Transit Bilingual Inst	272,636
Other Public Schools	198,019
Public Schools	17,097,327



Public Schools

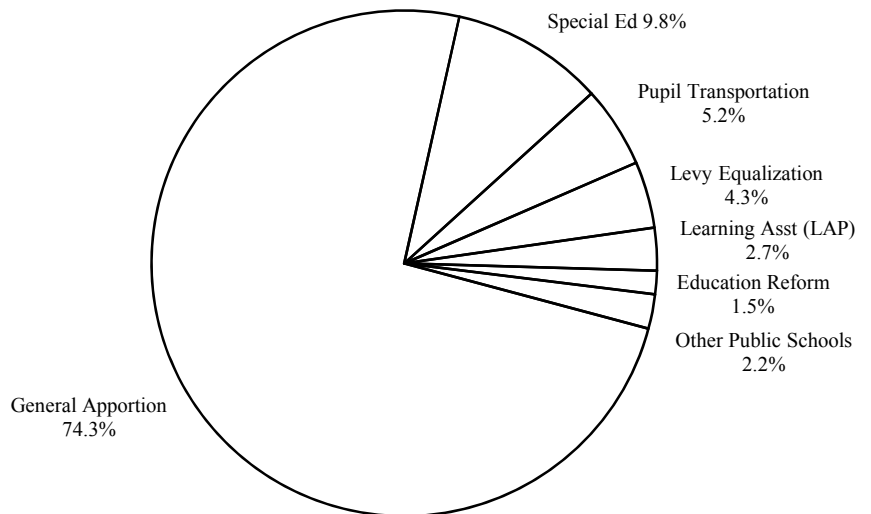
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NGF-S + Opportunity Pathways
(Dollars in Thousands)

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Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

General Apportionment	11,305,188
Special Education	1,486,343
Pupil Transpo	792,528
Levy Equalization	646,707
Learning Assist Pgm	414,691
Education Reform	227,963
Other Public Schools	335,457
Public Schools	15,208,877



Public Schools

Public Schools

WORKLOAD HISTORY

By School Year

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Estimated		
								2012-13	2013-14	2014-15
General Apportionment										
FTE Enrollment	972,079	973,612	975,540	980,982	988,501	992,905	990,422	994,058	998,205	1,000,714
% Change from prior year	0.6%	0.2%	0.2%	0.6%	0.8%	0.4%	-0.3%	0.4%	0.4%	0.3%
Special Education										
Funded Enrollment	121,758	121,691	126,053	128,180	130,314	132,950	134,116	135,193	136,128	136,924
% Change from prior year	0.8%	-0.1%	3.6%	1.7%	1.7%	2.0%	0.9%	0.8%	0.7%	0.6%
Bilingual Education										
Headcount Enrollment	76,716	76,505	80,689	82,915	84,855	89,920	88,719	95,283	97,712	100,382
% Change from prior year	1.9%	-0.3%	5.5%	2.8%	2.3%	6.0%	-1.3%	7.4%	2.5%	2.7%
Learning Assistance Program										
Entitlement Units ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Funded Student Units	408,477	419,033	414,238	416,753	414,238	416,753	433,108	452,281	457,232	470,136
% Change from prior year		2.6%	-1.1%	0.6%	-0.6%	0.6%	3.9%	4.4%	1.1%	2.8%

⁽¹⁾ In the 2005 legislative session, the Legislature made significant changes to the allocation formula for the Learning Assistance Program. For this reason, the workload amounts for the 2005-07 biennium are not comparable to prior years.

Data Sources:

2005-06 through 2012-13 amounts are from the Office of the Superintendent of Public Instruction and the Caseload Forecast Council.

2013-14 and 2014-15 estimates are from the Caseload Forecast Council June 2013 forecast and legislative budgets from the 2013 session.

Public Schools OSPI & Statewide Programs

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	52,455	85,581	138,036
2013 Supplemental *	250	5,826	6,076
Total 2011-13 Biennium	52,705	91,407	144,112
2013-15 Maintenance Level	55,659	74,153	129,812
Policy Changes - Other			
1. Attorney General Legal Services	-15	0	-15
2. Administrative Hearings	13	0	13
3. CTS Central Services	114	0	114
4. DES Central Services	-84	0	-84
5. Charter Schools (Initiative 1240)	584	0	584
6. Audit Workload Increase	0	200	200
7. Longitudinal Data System	1,174	0	1,174
8. Kindergarten Readiness WaKIDS	712	0	712
9. Dropout Prevention and Retention	1,056	0	1,056
10. Troubled Youth in Schools	138	0	138
11. State-Tribal Ed Compact	82	0	82
12. Computer Science Education	124	0	124
13. Cardiac Arrest	27	0	27
14. School Pilot Program Data & Study	50	0	50
15. Navigation 101	-5,030	0	-5,030
16. Washington Innovation Schools	20	0	20
17. Non-Violence Leadership Training	170	0	170
18. Funding Adjustment	100	0	100
19. Washington Achievers Scholars	2,400	0	2,400
20. Mobius Science Center	200	0	200
21. Re-Suspend Alternative Routes	-4,244	0	-4,244
22. School Nurses	50	0	50
Policy -- Other Total	-2,359	200	-2,159
Policy Changes - Comp			
23. New Step M for Classified-Yr 1 Impl	94	72	166
24. New Step M for Classified-Yr 2 Impl	4	4	8
25. State Employee Health Insurance	-45	-32	-77
26. Wellness - Smoker Surcharge	-7	-7	-14
27. PEBB - Coverage Waiver Surcharge	-41	-38	-79
Policy -- Comp Total	5	-1	4
Total 2013-15 Biennium	53,305	74,352	127,657
Fiscal Year 2014 Total	27,264	38,590	65,854
Fiscal Year 2015 Total	26,041	35,762	61,803

Comments:

- | | |
|--|---|
| <p>1. Attorney General Legal Services - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.</p> <p>2. Administrative Hearings - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (General Fund-State, Other Funds)</p> <p>3. CTS Central Services - Funding is provided for each agency's share of enterprise information technology security services</p> | <p>provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.</p> <p>4. DES Central Services - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.</p> <p>5. Charter Schools (Initiative 1240) - Voters approved Initiative 1240 in the 2012 General Election, which authorizes up to 40 publicly-funded charter schools in Washington State over a</p> |
|--|---|

Public Schools OSPI & Statewide Programs

period of five years. The initiative creates additional workload requirements for the State Board of Education (SBE) and the Office of the Superintendent of Public Instruction (OSPI).

6. **Audit Workload Increase** - One-time funding is provided to OSPI to accommodate an increase in audits of school districts' Alternative Learning Experience (ALE) programs. Because Chapter 34, Laws of 2011 (ESHB 2065) reformed ALE programs, OSPI and the State Auditor's Office anticipate an increase in audit findings for the 2012-13 school year. A one-time workload increase is funded for the 2013-15 biennium to address additional audit resolutions and appeals in ALE programs. (Performance Audit Account)
7. **Longitudinal Data System** - Funding is provided to maintain and operate the K-12 Statewide Longitudinal Data System. In 2009, OSPI was awarded a \$5.9 million, four-year federal grant to build a statewide longitudinal data system (SLDS). The federal grant ends in June 2013, and all technical systems and business processes are scheduled to be completed at that time. State funding is provided for maintenance and operation of the technical systems and business processes developed under the federal grant, including the K-12 SLDS and the Student Record Exchange system.
8. **Kindergarten Readiness WaKIDS** - Funding is provided for continued implementation of the Washington Kindergarten Inventory of Developing Skills (WaKIDS) program. Due to increases in state-funded full-day kindergarten, more teachers will be trained in WaKIDS.
9. **Dropout Prevention and Retention** - The Building Bridges and Jobs for America's Graduates programs are consolidated into a single Dropout Prevention and Retention Program and are enhanced in total by \$1,056,000.
10. **Troubled Youth in Schools** - Funds are provided to implement chapter 197, Laws of 2013 (ESHB 1336). The bill adds educator training requirements and school planning requirements to address youth emotional and behavioral distress in youth, including youth suicide screening and referral. The bill also establishes a temporary task force to identify best practices for school districts to develop partnerships with community agencies to support youth in need.
11. **State-Tribal Ed Compact** - Funds are provided to implement Chapter 242, Laws of 2013 (ESHB 1134) which establishes state-tribal education compacts. One-time funding in the amount of \$53,000 is provided for reprogramming of the apportionment system. Additional funds are provided for OSPI to adopt rules for the state-tribal education compacts and to administer the compact school application process.
12. **Computer Science Education** - Funding is provided for grants to improve and expand access to computer science education. The grant program supports computer science professionals serving as co-instructors for Advanced Placement Computer Science courses and upgrades in technology, curriculum, and teacher training.
13. **Cardiac Arrest** - Funding is provided for the implementation of Chapter 181, Laws of 2013 (SHB 1556), creating initiatives in high schools to save lives in the event of cardiac arrest. The bill requires OSPI, in consultation with others, to develop guidelines for medical emergency response and automated external defibrillator program for high schools. School districts that have high schools are required to offer instruction in cardiopulmonary resuscitation (CPR), and CPR is added to the instructional requirements in health classes necessary for graduation.
14. **School Pilot Program Data & Study** - Funds are provided to support the collection of data to be used in measuring the outcomes of several pilot projects funded by the Legislature in recent years.
15. **Navigation 101** - Navigation 101 is part of a comprehensive school guidance and counseling program in Washington State. The purpose of Navigation 101 is to help students make choices for college and career readiness in the areas of course selection, goal setting, career planning, and postsecondary options, including financial aid. Funding for Navigation 101 grants to school districts is eliminated. Funding for 2.5 FTEs at OSPI is maintained to support the curriculum for districts that elect to continue the program using other funding sources.
16. **Washington Innovation Schools** - The Washington Innovation Schools program, created in 2011 under Chapter 202, Laws of 2011 (HB 1521), directed OSPI to identify and designate Washington Innovation Schools utilizing selection criteria developed by OSPI. Funding is provided for OSPI to convene a committee in FY 2014 and FY 2015 to select and recognize additional Washington Innovation Schools using the existing selection criteria.
17. **Non-Violence Leadership Training** - Funding is provided to expand the non-violence and leadership training program provided by the Institute for Community Leadership to a statewide program.
18. **Funding Adjustment** - Funding allocations for OSPI are increased on a one-time basis to support Washington's Teacher of the Year.
19. **Washington Achievers Scholars** - The Washington Achievers Scholars Program is expanded to increase the number of school districts in which the program is provided.
20. **Mobius Science Center** - The Mobius Science Center provides mobile outreach to provide hands-on science, technology, engineering, and mathematics (STEM) education to students. Funding is provided to support expansion of outreach to students in rural, tribal, and low-income communities.
21. **Re-Suspend Alternative Routes** - Alternative Routes Certification Programs are teacher training programs that offer different options to traditional teacher preparation programs. Funding in the amount of \$4.224 million is suspended for the 2013-15 biennium, with a resulting funding level of \$500,000.

Public Schools OSPI & Statewide Programs

22. **School Nurses** - Funding is provided to the Health Care Authority and OSPI to develop recommendations for funding integrated school nursing and outreach services.
23. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
24. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
25. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
26. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
27. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools General Apportionment

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	10,412,087	22,327	10,434,414
2013 Supplemental *	-32,235	0	-32,235
Total 2011-13 Biennium	10,379,852	22,327	10,402,179
2013-15 Maintenance Level	10,727,397	0	10,727,397
Policy Changes - Other			
1. Reduce Early Elementary Class Size	90,865	0	90,865
2. Expand Full Day Kindergarten	88,046	0	88,046
3. Remove Hold Harmless	-24,717	0	-24,717
4. Materials, Supplies, & Op. Costs	328,563	0	328,563
5. ALE Audit Recoveries	-11,052	0	-11,052
6. Increase Instructional Hours	86,466	0	86,466
7. Parent Engagement Coordinator	10,517	0	10,517
8. Guidance Counselor	10,723	0	10,723
9. Alternative Learning Experience	-1,620	0	-1,620
Policy -- Other Total	577,791	0	577,791
Total 2013-15 Biennium	11,305,188	0	11,305,188
Fiscal Year 2014 Total	5,528,987	0	5,528,987
Fiscal Year 2015 Total	5,776,201	0	5,776,201

Comments:

1. **Reduce Early Elementary Class Size** - Chapter 236, Laws of 2010 (SHB 2776) established new formulas for allocating funding for a number of basic education programs, including General Apportionment, Learning Assistance Program, Highly Capable Program, and Transitional Bilingual Instruction Program. Included in the new formulas was a reduction in class sizes for grades kindergarten through 3. Allocations for high poverty schools reduce class size for kindergarten and first grade from 24.1 FTE students to 20.85 FTEs in school year 2013-14 and 20.30 FTEs in school year 2014-15.
2. **Expand Full Day Kindergarten** - Allocations for state-funded voluntary full-day kindergarten programs are expanded, increasing from 22 percent of kindergarten enrollment in school year 2012-13 to 43.75 percent of kindergarten enrollment in school years 2013-14 and 2014-15. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded for voluntary full-day kindergarten by 2018.
3. **Remove Hold Harmless** - Chapter 236, Laws of 2010 (SHB 2776) established new formulas for allocating funding for a number of basic education programs. The 2011-13 biennial budget provided funding to hold districts harmless to per-student funding amounts that existed prior to the formula conversion. The 2013-15 biennial budget eliminates the need for hold harmless allocations due to the following basic education funding changes: (1) increasing the funding allocations for implementing the targets provided in statute; (2) providing additional allocations in the Learning Assistance Program and the Transitional Bilingual Instruction Program; and (3) providing additional allocations to fund an increase in instructional hours for grades 7 through 12.
4. **Materials, Supplies, & Op. Costs** - Allocations for Materials, Supplies, & Operating Costs (MSOC) are increased from \$562.88 per FTE student in school year 2013-14 to \$737.02 per FTE student. In school year 2014-15 MSOC allocations are increased to \$781.72. The school year 2013-14 and 2014-15 allocations fund approximately 37 percent and 44 percent of the difference between the maintenance level funding allocation and the actual audited expenditures per FTE student by school districts, as reported by the OSPI. As compared with the MSOC values required in current law, the school year 2013-14 and 2014-15 allocations fund approximately 28 percent and 33 percent of the MSOC value required by the 2015-16 school year. (Education Legacy Trust Account)
5. **ALE Audit Recoveries** - The State Auditor's Office (SAO) recently completed 2010-11 school year audits of Alternative Learning Experience (ALE) programs. A one-time adjustment for audit recoveries is assumed based on the scope and size of the audit findings, adjusted by the historical ratio of SAO audit findings to the Office of the Superintendent of Public Instruction audit resolution recoveries for ALE programs.
6. **Increase Instructional Hours** - An increase in instructional hours is funded for grades 7 through 12. As of the 2014-15 school year, funding allocations for an additional 2.2222 hours of instruction per week is provided, increasing the total required

Public Schools General Apportionment

instruction for each of grades 7 through 12 to 1,080 hours per year.

7. **Parent Engagement Coordinator** - The prototypical school funding formula is revised for prototypical elementary schools. Parent Involvement Coordinator allocations are increased by 0.0825 FTE staff.
8. **Guidance Counselor** - The prototypical school funding formula is revised for prototypical middle and high schools. Guidance Counselor allocations are increased by 0.1 FTE staff for each prototypical middle school and high school.
9. **Alternative Learning Experience** - In response to recent state audit findings, the state established new definitions and program guidance for funding ALE programs. Funding for students enrolled in ALE is based on the basic education allocation rate for grades 9 through 12.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools Pupil Transportation

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	595,885	0	595,885
2013 Supplemental *	251	0	251
Total 2011-13 Biennium	596,136	0	596,136
2013-15 Maintenance Level	660,847	0	660,847
Policy Changes - Other			
1. Increase Pupil Transportation	131,681	0	131,681
Policy -- Other Total	131,681	0	131,681
Total 2013-15 Biennium	792,528	0	792,528
Fiscal Year 2014 Total	365,120	0	365,120
Fiscal Year 2015 Total	427,408	0	427,408

Comments:

- Increase Pupil Transportation** - Funding is provided to continue implementation of the new pupil transportation funding formula in the amount of \$42.8 million for the 2013-14 school year. As of the 2014-15 school year, 100 percent of funding necessary to fully complete phase-in of the state's new pupil funding transportation formula is provided as required under Chapter 548, Laws of 2009 (ESHB 2261) and Chapter 236, Laws of 2010 (SHB 2776). Districts will receive state allocations as calculated under the Student Transportation Allocating Reporting System (STARS). The STARS uses statistical analysis of the 295 school districts to determine each district's expected cost of operations.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Public Schools
School Food Services**

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	14,222	581,412	595,634
2013 Supplemental *	0	69,600	69,600
Total 2011-13 Biennium	14,222	651,012	665,234
2013-15 Maintenance Level	14,222	618,338	632,560
Total 2013-15 Biennium	14,222	618,338	632,560
Fiscal Year 2014 Total	7,111	306,247	313,358
Fiscal Year 2015 Total	7,111	312,091	319,202

Comments:

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools Special Education

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,328,957	486,922	1,815,879
2013 Supplemental *	-19,919	13,000	-6,919
Total 2011-13 Biennium	1,309,038	499,922	1,808,960
2013-15 Maintenance Level	1,414,235	462,023	1,876,258
Policy Changes - Other			
1. Reduce Early Elementary Class Size	12,730	0	12,730
2. Expand Full Day Kindergarten	659	0	659
3. Materials, Supplies, & Op. Costs	45,395	0	45,395
4. Increase Instructional Hours	10,507	0	10,507
5. Parent Engagement Coordinator	1,357	0	1,357
6. Guidance Counselor	1,460	0	1,460
Policy -- Other Total	72,108	0	72,108
Policy Changes - Comp			
7. New Step M for Classified-Yr 1 Impl	0	6	6
8. State Employee Health Insurance	0	-7	-7
Policy -- Comp Total	0	-1	-1
Total 2013-15 Biennium	1,486,343	462,022	1,948,365
Fiscal Year 2014 Total	720,953	231,002	951,955
Fiscal Year 2015 Total	765,390	231,020	996,410

Comments:

1. **Reduce Early Elementary Class Size** - Chapter 236, Laws of 2010 (SHB 2776) established new formulas for allocating funding for a number of basic education programs, including General Apportionment, Learning Assistance Program, Highly Capable Program, and Transitional Bilingual Instruction Program. Included in the new formulas was a reduction in class sizes for grades kindergarten through 3. Allocations for high poverty schools reduce class size for kindergarten and first grade from 24.1 FTE students to 20.85 FTEs in school year 2013-14 and 20.30 FTEs in school year 2014-15.
2. **Expand Full Day Kindergarten** - Allocations for state-funded voluntary full-day kindergarten programs are expanded, increasing from 22 percent of kindergarten enrollment in school year 2012-13 to 43.75 percent of kindergarten enrollment in school years 2013-14 and 2014-15. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded for voluntary full-day kindergarten by 2018.
3. **Materials, Supplies, & Op. Costs** - Allocations for Materials, Supplies, & Operating Costs (MSOC) are increased from \$562.88 per FTE student in school year 2013-14 to \$737.02 per FTE student. In school year 2014-15 MSOC allocations are increased to \$781.72. The school year 2013-14 and 2014-15 allocations fund approximately 37 percent and 44 percent of the difference between the maintenance level funding allocation and the actual audited expenditures per FTE student by school districts, as reported by the OSPI. As compared with the MSOC values required in current law, the school year 2013-14 and 2014-15 allocations fund approximately 28 percent and 33 percent of the MSOC value required by the 2015-16 school year. (Education Legacy Trust Account)
4. **Increase Instructional Hours** - An increase in instructional hours is funded for grades 7 through 12. As of the 2014-15 school year, funding allocations for an additional 2,222 hours of instruction per week is provided, increasing the total required instruction for each of grades 7 through 12 to 1,080 hours per year. In addition to increasing districts' basic education allocation, this enhancement also increases the special education allocation because state special education allocation per-student is based on percentages of each district's basic education allocation.
5. **Parent Engagement Coordinator** - The prototypical school funding formula is revised for prototypical elementary schools. Parent Involvement Coordinator allocations are increased by 0.0825 FTE staff.
6. **Guidance Counselor** - The prototypical school funding formula is revised for prototypical middle and high schools. Guidance Counselor allocations are increased by 0.1 FTE staff for each prototypical middle school and high school.
7. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during

**Public Schools
Special Education**

FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)

8. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Public Schools
Educational Service Districts**

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	15,806	0	15,806
2013 Supplemental *	-16	0	-16
Total 2011-13 Biennium	15,790	0	15,790
2013-15 Maintenance Level	16,294	0	16,294
Total 2013-15 Biennium	16,294	0	16,294
Fiscal Year 2014 Total	8,143	0	8,143
Fiscal Year 2015 Total	8,151	0	8,151

Comments:

* Please see the 2013 Supplemental Operating Budget Section
for additional information.

Public Schools Levy Equalization

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	598,934	4,400	603,334
2013 Supplemental *	1,371	0	1,371
Total 2011-13 Biennium	600,305	4,400	604,705
2013-15 Maintenance Level	638,409	0	638,409
Policy Changes - Other			
1. Levy Equalization	8,298	0	8,298
Policy -- Other Total	8,298	0	8,298
Total 2013-15 Biennium	646,707	0	646,707
Fiscal Year 2014 Total	311,174	0	311,174
Fiscal Year 2015 Total	335,533	0	335,533

Comments:

1. **Levy Equalization** - The 2013-15 biennial budget increases state funding allocations for materials, supplies, and operating costs; early elementary class size reductions; state-funded voluntary full-day kindergarten; guidance counselors and parent engagement coordinators; the Learning Assistance Program; the Transitional Bilingual Instruction Program; and the expected cost pupil transportation funding formula. Increased funding expands the levy base, which results in increased Local Effort Assistance (LEA) distributions. Amounts appropriated for LEA include funding sufficient for LEA distributions from the levy base as defined in RCW 84.52.0531 (3)-(5). The per pupil inflator is established at 4.914 percent in calendar year 2014 and 4.914 percent in calendar year 2015.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Public Schools
Institutional Education**

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	32,561	0	32,561
2013 Supplemental *	-1,320	0	-1,320
Total 2011-13 Biennium	31,241	0	31,241
2013-15 Maintenance Level	30,784	0	30,784
Total 2013-15 Biennium	30,784	0	30,784
Fiscal Year 2014 Total	15,291	0	15,291
Fiscal Year 2015 Total	15,493	0	15,493

Comments:

* Please see the 2013 Supplemental Operating Budget Section
for additional information.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	17,533	0	17,533
2013 Supplemental *	369	0	369
Total 2011-13 Biennium	17,902	0	17,902
2013-15 Maintenance Level	19,083	0	19,083
Policy Changes - Other			
1. Expand Full Day Kindergarten	149	0	149
Policy -- Other Total	149	0	149
Total 2013-15 Biennium	19,232	0	19,232
Fiscal Year 2014 Total	9,555	0	9,555
Fiscal Year 2015 Total	9,677	0	9,677

Comments:

- Expand Full Day Kindergarten** - Allocations for state-funded voluntary full-day kindergarten programs are expanded, increasing from 22 percent of kindergarten enrollment in school year 2012-13 to 43.75 percent of kindergarten enrollment in school years 2013-14 and 2014-15. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded for voluntary full-day kindergarten by 2018. The increase in state-funded voluntary full-day kindergarten increases the total enrollment used to calculate state funding for the Highly Capable program.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools
Elementary & Secondary School Improvement

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	6,152	6,152
2013-15 Maintenance Level	0	4,052	4,052
Total 2013-15 Biennium	0	4,052	4,052
Fiscal Year 2014 Total	0	1,876	1,876
Fiscal Year 2015 Total	0	2,176	2,176

Comments:

None.

Public Schools Education Reform

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	163,129	223,190	386,319
2013 Supplemental *	0	2,000	2,000
Total 2011-13 Biennium	163,129	225,190	388,319
2013-15 Maintenance Level	234,669	210,245	444,914
Policy Changes - Other			
1. Suspend National Board Inflation	-3,006	0	-3,006
2. Assessment Reforms	-24,961	0	-24,961
3. Financial Education Partnership	200	0	200
4. Dropout Prevention - Farming	208	0	208
5. Teacher & Principal Eval Training	15,000	0	15,000
6. Career & Technical Education Grants	400	0	400
7. PASS Act Program	-3,000	0	-3,000
8. Regional Ed. Tech. Support Centers	-1,960	0	-1,960
9. High School Acceleration	2,171	0	2,171
10. Persistently Lowest-Achieving Sch.	10,281	0	10,281
11. Consolidate Grants & Programs	-6,469	0	-6,469
12. Improved Student Outcomes (SB5946)	4,434	0	4,434
Policy -- Other Total	-6,702	0	-6,702
Policy Changes - Comp			
13. New Step M for Classified-Yr 1 Impl	14	6	20
14. State Employee Health Insurance	1	-7	-6
15. Wellness - Smoker Surcharge	-3	-1	-4
16. PEBB - Coverage Waiver Surcharge	-16	-7	-23
Policy -- Comp Total	-4	-9	-13
Total 2013-15 Biennium	227,963	210,236	438,199
Fiscal Year 2014 Total	122,639	107,604	230,243
Fiscal Year 2015 Total	105,324	102,632	207,956

Comments:

1. **Suspend National Board Inflation** - The National Board Bonus program provides annual bonuses to teachers and counselors who have earned rigorous National Board certification in one or more of 25 subject areas. RCW 28A.405.415 requires the regular bonus to be adjusted for inflation, increasing the bonus from \$5,090 to \$5,489. This requirement is suspended for the 2013-15 biennium and the bonus will remain at \$5,090.
2. **Assessment Reforms** - Savings are assumed from changes to the statewide required student assessments. The changes to assessments include replacement of reading and writing exams with a single English language arts exam and utilization of the Smarter Balanced Assessment Consortium test bank for the high school assessments. Collection of Evidence grading is maintained at the Education Service Districts.
3. **Financial Education Partnership** - Funding is provided for the Financial Education Public-Private Partnership (FEPPP) for FY 2014 and FY 2015 to promote the financial literacy of students. Funding for the FEPPP was previously through a private grant. The grant is set to expire at the end of FY 2013. The General Fund-State appropriation is provided to replace the expiring grant funds.
4. **Dropout Prevention - Farming** - Funding is provided for a dropout prevention program that incorporates partnerships between community based organizations, schools, food banks, and farms or gardens. The Office of the Superintendent of Public Instruction (OSPI) must partner with an organization that runs an existing similar program. The OSPI may use up to \$10,000 of this amount for administration.
5. **Teacher & Principal Eval Training** - Funding is provided for training in new teacher evaluation systems and use of student growth data. For FY 2014, \$10 million is provided, of which \$5 million is a one-time allocation. For FY 2015, an ongoing allocation of \$5 million is provided. The Teacher Principal Evaluation Project training funds are provided for OSPI to begin implementation of eight hours of training for every teacher in the state for the purpose of understanding the instructional

Public Schools Education Reform

framework, state evaluation criteria, evaluation tool, and evidence required to determine effectiveness under the new evaluation system. The ongoing \$5 million allocation per year is provided for small team "train the trainer" series for select staff from each of the 295 school districts on the use of student growth measures and data in evaluations. The trained teams will provide three hours of training at their respective districts for one-third of teachers each year until full training implementation is achieved.

6. **Career & Technical Education Grants** - Funding is increased for secondary career and technical education grants.
 7. **PASS Act Program** - Funding for the PASS Act Program is eliminated. The PASS Act supports several dropout prevention and retention programs including Building Bridges and Jobs for America's Graduates (JAG). The base funding for Building Bridges and JAG is consolidated and enhanced in a separate budget step.
 8. **Regional Ed. Tech. Support Centers** - Funding for the Regional Education Technical Support Centers at the Educational Service Districts is eliminated beginning in FY 2014.
 9. **High School Acceleration** - Chapter 184, Laws of 2013 (2SHB 1642) encourages school boards to adopt an academic acceleration policy for high school students where qualifying students are enrolled in the next most rigorous level of advanced courses offered by the high school, including dual credit courses. Financial incentives are provided to support teacher training, curriculum, technology, examination fees, and other costs associated with offering dual credit courses. One-half of the available funds are allocated on a competitive basis as one-time grants for high schools to expand the availability of dual credit courses. The remaining half of the funds are allocated as an incentive award to school districts for each student who earned dual credit in specified courses offered by a high school in the previous year. Funding is provided for OSPI's administrative work to collect dual credit data and for incentive grants to schools.
 10. **Persistently Lowest-Achieving Sch.** - Funding is provided for Chapter 159, Laws of 2013 (E2SSB 5329) to support grants to school districts identified as persistently lowest-achieving, or having been listed by the OSPI as a Required Action District. The amount of the grant to be provided to a district is determined by OSPI. Funds are also provided for staffing at OSPI for the implementation and continued administration of programs to support lowest-achieving schools and districts.
 11. **Consolidate Grants & Programs** - The Readiness to Learn grant program is consolidated. Under Chapter 18, Laws of 2013, 2nd sp. s., Partial Veto (ESSB 5946), the Learning Assistance Program (LAP) is revised to permit school districts to use up to 5 percent of LAP funds to develop partnerships with community organizations and agencies to deliver academic and nonacademic supports to participating students to improve readiness to learn.
 12. **Improved Student Outcomes (SB5946)** - Chapter 18, Laws of 2013, 2nd sp.s., Partial Veto (ESSB 5946) addresses early-grade reading proficiency; requires LAP funds to be used for interventions and activities which research shows to be effective and makes early-grade reading proficiency the first priority for LAP funds; limits the length of long-term suspensions and expulsions; establishes a beginning teacher mentoring program in statute; and redefines and amends the funding allocation for Alternative Learning Experience programs. Additionally, the permissible uses of LAP funds are extended to include interventions for students with behavioral issues and support for readiness to learn. Funding is provided for implementation of the bill.
 13. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
 14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
 15. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
 16. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)
- * Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools Transitional Bilingual Instruction

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	160,241	71,001	231,242
2013 Supplemental *	3,435	0	3,435
Total 2011-13 Biennium	163,676	71,001	234,677
2013-15 Maintenance Level	182,757	71,015	253,772
Policy Changes - Other			
1. Bilingual Instruction	18,863	0	18,863
Policy -- Other Total	18,863	0	18,863
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	0	2	2
3. State Employee Health Insurance	0	-1	-1
Policy -- Comp Total	0	1	1
Total 2013-15 Biennium	201,620	71,016	272,636
Fiscal Year 2014 Total	95,500	25,502	121,002
Fiscal Year 2015 Total	106,120	45,514	151,634

Comments:

1. **Bilingual Instruction** - Funding is provided to add instructional hours to assist English language learner students who have met English proficiency standards and are no longer enrolled in the Transitional Bilingual Instruction Program (TBIP). In school year 2013-14, 3.0 hours of additional instruction are provided for students who exited TBIP in the immediate prior year. In school year 2014-15, 3.0 hours of additional instruction are provided for students who exited TBIP in the immediate prior two years.
2. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
3. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

**Public Schools
Learning Assistance Program (LAP)**

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	255,388	492,207	747,595
2013 Supplemental *	-1,332	14,000	12,668
Total 2011-13 Biennium	254,056	506,207	760,263
2013-15 Maintenance Level	270,649	448,435	719,084
Policy Changes - Other			
1. Expand Full Day Kindergarten	970	0	970
2. Learning Assistance Program (LAP)	143,072	0	143,072
Policy -- Other Total	144,042	0	144,042
Policy Changes - Comp			
3. New Step M for Classified-Yr 1 Impl	0	2	2
4. State Employee Health Insurance	0	-3	-3
Policy -- Comp Total	0	-1	-1
Total 2013-15 Biennium	414,691	448,434	863,125
Fiscal Year 2014 Total	196,356	225,763	422,119
Fiscal Year 2015 Total	218,335	222,671	441,006

Comments:

- Expand Full Day Kindergarten** - Allocations for state-funded voluntary full-day kindergarten programs are expanded, increasing from 22 percent of kindergarten enrollment in school year 2012-13 to 43.75 percent of kindergarten enrollment in school years 2013-14 and 2014-15. Chapter 236, Laws of 2010 (SHB 2776) requires full implementation of state-funded for voluntary full-day kindergarten by 2018. The increase in state-funded voluntary full-day kindergarten programs increases the state's total enrollment used to calculate the state's LAP funding.
- Learning Assistance Program (LAP)** - Funding is provided to increase the number of instructional hours provided for the Learning Assistance program from 1.5156 hours per week per FTE student to 2.3975 hours per week per FTE student.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	2	2
2013-15 Maintenance Level	295,467	0	295,467
Policy Changes - Comp			
1. Suspend I-732 COLA	-295,467	0	-295,467
Policy -- Comp Total	-295,467	0	-295,467
Total 2013-15 Biennium	0	0	0

Comments:

1. **Suspend I-732 COLA** - The Initiative 732 cost-of-living adjustments are suspended for the 2013-15 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 2.5 percent for the 2013-14 school year and 1.8 percent for the 2014-15 school year.

Higher Education

Overview

For the 2013-15 biennium, a total of \$3.1 billion in state funds (Near General Fund-State plus Washington Opportunity Pathways Account) is provided in support of the higher education system (including financial aid), \$2.4 billion (78 percent) of which is appropriated to the public colleges and universities. Compared to the 2011-13 biennium, this represents a \$272.8 million (12.9 percent) increase in state funds to the institutions of higher education and a \$338.3 million (12.4 percent) increase in state funds to the higher education system overall.

No tuition increases are assumed for the 2013-15 biennium. For the 2013-14 academic year, institutions of higher education are prohibited from invoking their tuition setting authority, which was originally granted to four year institutions during the 2011 legislative session. For the 2014-15 academic year, four-year institutions and the community and technical colleges are authorized to exercise tuition setting authority. Institutions that choose to increase tuition above budgeted levels are required to use a portion of the additional revenue for student financial aid and to mitigate the increase for students with family incomes up to 125 percent of the median family income.

Major Increases

Institutional Funding

A total \$119.3 million is provided to the four-year universities and the community and technical colleges for general institutional support.

Computer Science and Engineering Expansion

A total of \$17.6 million is provided to the University of Washington (\$8.9 million), Washington State University (\$5.7 million), and Western Washington University (\$3.0 million) to expand computer science and engineering enrollments.

Student Achievement Initiative

\$10.5 million is provided to the State Board for Community and Technical Colleges (SBCTC) for the Student Achievement Initiative, which is used to increase educational attainment within community and technical colleges. Funds will be distributed by SBCTC to the community and technical colleges according to each college's performance in: building towards college-level skills; first year retention; completing college-level math; and degree, certificate, and apprenticeship training completions.

Additional Degree Programs

A total of \$6 million in state funds and \$1.5 million in tuition resources will be used to expand Washington State University's medical programs in Spokane. Additionally, Washington State University will reestablish a forestry degree program within available tuition resources.

The University of Washington, within available tuition resources, may: a) form and implement an Integrated Innovation Institute and research, planning, and outreach initiatives at the Olympic National Resources Center; and b) accredit a four-year undergraduate forestry program from the Society of American Foresters. Accreditation may occur in conjunction with the reaccreditation of the Master of Forest Resources program.

SBCTC will utilize \$500,000 in state funds to create two applied baccalaureate degree programs that support the continuation of secondary education programs in science, technology, engineering, and math pursuant to Chapter 55, Laws of 2013 (2SSB 5624). SBCTC will also use \$510,000 in state funds to establish a maritime industries training program at South Seattle Community College.

Clean Energy Institute

A total of \$6.0 million is provided to create a Clean Energy Institute at the University of Washington. The Institute will integrate physical sciences and engineering with a research focus on energy storage and solar energy. Funding is provided to create the Institute, hire research and teaching staff, and to provide the computing resources necessary for research and modeling.

College Bound Scholarship Program

The College Bound Scholarship is open to low-income seventh and eighth graders who sign a pledge to meet certain criteria, including graduating from high school on time with a 2.0 grade point average. Students who meet the eligibility requirements of the program are awarded scholarships covering the costs of public sector tuition and fees and a small book allowance. The first College Bound Scholarship cohort began receiving funding in the Fall of 2012. \$36.0 million is provided to continue to serve this and future cohorts.

Center on Ocean Acidification

A total of \$1.8 million (\$1.1 million State Toxics Control Act Account; \$700,000 Aquatic Lands Enhancement Account) is provided to establish the Center on Ocean Acidification within the University of Washington to coordinate and conduct research to understand, monitor, and adapt to increasingly acidic waters.

Financial Aid Reductions**Financial Aid Program Re-Suspension**

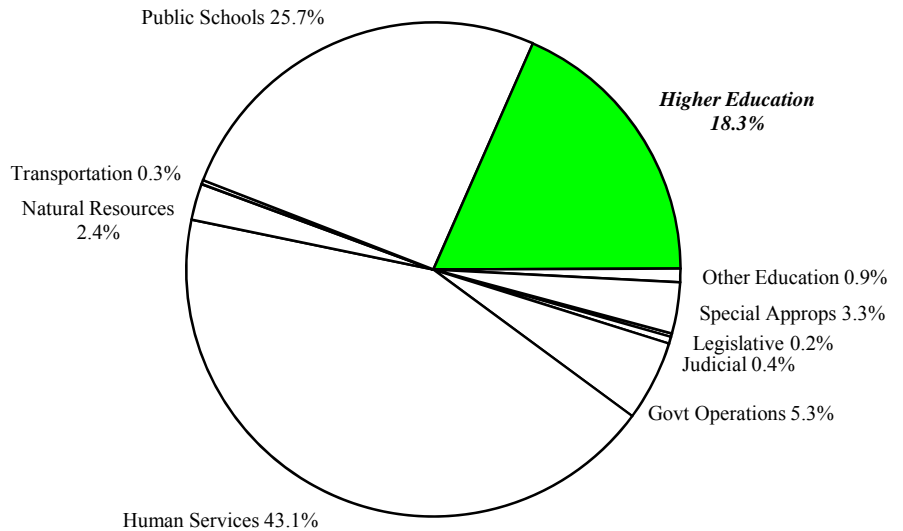
Savings are achieved as a result of continuing the 2011-13 suspension of the Future Teachers Conditional Scholarship Program, the Health Professionals Conditional Scholarship Program, the Washington Scholars Program, the Washington Award for Vocational Excellence programs, and the Small Grant Program (including the Community Scholarship Matching Grant Program, the Western Interstate Commission for Higher Education student exchange, and state contributions to the Foster Care Endowment Scholarship Trust Fund) for the 2013-15 biennium. Students who received awards in previous years will maintain those awards until they complete their programs.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

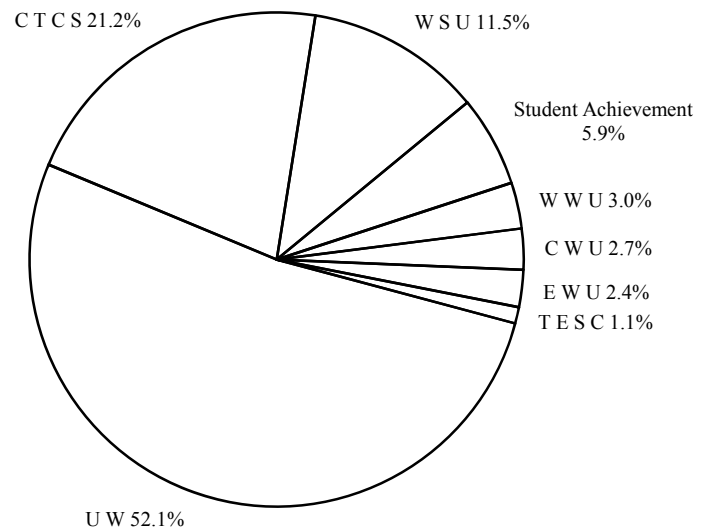
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

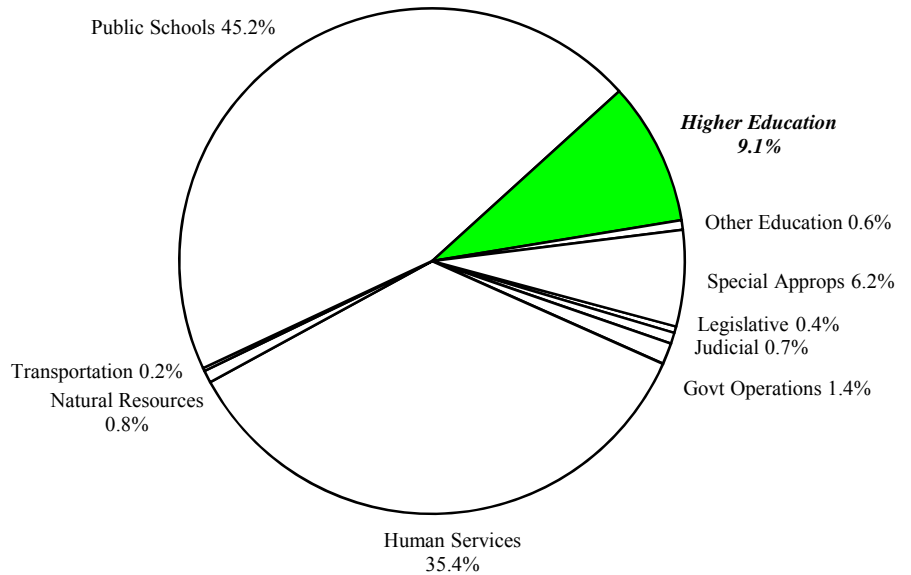
Univ of Washington	6,359,033
C T C S	2,592,935
Washington State Univ	1,404,880
Student Achievement	724,990
Western Washington Univ	368,287
Central Washington Univ	325,152
Eastern Washington Univ	297,749
The Evergreen State Coll	130,596
Higher Education	12,203,622



Higher Education

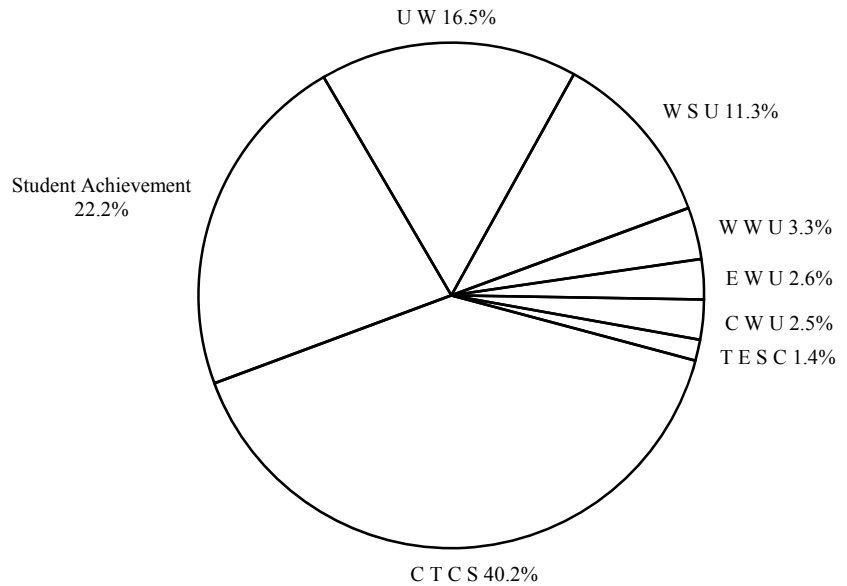
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

C T C S	1,234,634
Student Achievement	683,457
Univ of Washington	506,095
Washington State Univ	348,312
Western Washington Univ	101,969
Eastern Washington Univ	78,763
Central Washington Univ	78,328
The Evergreen State Coll	41,512
Higher Education	3,073,070



Higher Education

Higher Education
FTE Student Enrollment History
By Academic Year

	Actual Enrollment							Budgeted	
	<u>2006-07⁽¹⁾</u>	<u>2007-08⁽¹⁾</u>	<u>2008-09⁽¹⁾</u>	<u>2009-10⁽¹⁾</u>	<u>2010-11⁽¹⁾</u>	<u>2011-12⁽¹⁾</u>	<u>2012-13⁽¹⁾</u>	<u>2013-14</u>	<u>2014-15</u>
Community & Technical Colleges	143,019	147,908	159,845	173,237	175,010	166,112	160,977	150,795	150,795
Adult Students	132,176	136,723	148,000	160,778	162,328	153,395	147,433	139,237	139,237
Running Start Students ⁽²⁾	10,843	11,185	11,845	12,459	12,682	12,717	13,544	11,558	11,558
Four-Year Schools	92,182	94,310	98,292	101,165	103,214	104,702	105,113	94,274	94,274
University of Washington ⁽³⁾	36,647	37,525	39,729	40,943	42,303	42,718	43,487	37,162	37,162
Washington State University	21,244	22,334	23,316	23,992	24,233	25,284	25,189	22,228	22,228
Eastern Washington University	9,189	9,111	9,287	9,486	9,640	9,914	10,170	8,734	8,734
Central Washington University	9,204	8,931	9,082	9,673	9,832	9,581	9,397	9,105	9,105
The Evergreen State College	4,114	4,269	4,470	4,596	4,559	4,558	4,354	4,335	4,335
Western Washington University	11,784	12,140	12,408	12,475	12,647	12,647	12,516	12,710	12,710
Total Higher Education ⁽²⁾	224,358	231,033	246,292	261,943	265,542	258,097	252,546	233,511	233,511

⁽¹⁾ Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

⁽²⁾ Beginning with school year 2009-10, Community and Technical Colleges budgeted enrollment targets include Running Start students. For comparability with previous years, Running Start students are excluded from the "All Higher Education" total.

⁽³⁾ University of Washington enrollment for 2008-09 and subsequent years includes: a) 445 FTEs for the WWAMI (Washington, Wyoming, Alaska, Montana, and Idaho) medical school partnership; and b) 148 FTEs for the Molecular and Cellular Biology program. Enrollments for these programs were reported as self-sustaining from 2003-04 through 2007-08 and as state-supported both before and after that period.

Higher Education
Budgeted Enrollment Increases
 By Academic Year

	FTE Student Enrollment				
	Budgeted Level 2011-12	Increase for 2012-13	Total Budgeted 2011-13	Increase for 2013-14	Total Budgeted 2013-14
Community & Technical Colleges	139,237	0	139,237	0	139,237
Four-Year Schools	92,907	0	92,907	727	94,274
University of Washington	37,162	0	37,162	0	37,162
Seattle					
Bothell					
Tacoma					
Washington State University	22,228	0	22,228	0	22,228
Pullman/Spokane					
Tri-Cities					
Vancouver					
Eastern Washington University	8,734	0	8,734	0	8,734
Central Washington University	8,808	0	8,808	297	9,105
The Evergreen State College	4,213	0	4,213	122	4,335
Western Washington University	11,762	0	11,762	308	12,710
Total Higher Education	232,144	0	232,144	727	233,511

Community & Technical College System

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,144,958	1,254,076	2,399,034
2013-15 Maintenance Level	1,215,570	1,365,516	2,581,086
Policy Changes - Other			
1. Attorney General Legal Services	-16	-14	-30
2. DES Central Services	-67	-68	-135
3. Student Achievement Initiative	10,500	0	10,500
4. Institutional Funding	37,051	0	37,051
5. Opportunity Center IT Project	362	0	362
6. COE for Aerospace	200	0	200
7. Facilities M&O- Alternative Funding	511	0	511
8. Maintenance and Operations	443	0	443
9. STEM or Career & Tech Ed	500	0	500
10. Maritime Industries	510	0	510
Policy -- Other Total	49,994	-82	49,912
Policy Changes - Comp			
11. Suspend I-732 COLA	-24,671	-5,890	-30,561
12. New Step M for Classified-Yr 1 Impl	1,064	280	1,344
13. New Step M for Classified-Yr 2 Impl	610	111	721
14. State Employee Health Insurance	-3,894	-802	-4,696
15. Wellness - Smoker Surcharge	-577	-119	-696
16. PEBB - Coverage Waiver Surcharge	-3,462	-713	-4,175
Policy -- Comp Total	-30,930	-7,133	-38,063
Total 2013-15 Biennium	1,234,634	1,358,301	2,592,935
Fiscal Year 2014 Total	617,965	676,545	1,294,510
Fiscal Year 2015 Total	616,669	681,756	1,298,425

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Student Achievement Initiative** - Additional funding is provided for the State Board for Community and Technical Colleges' (SBCTC) Student Achievement Initiative.
4. **Institutional Funding** - Funds are provided for additional institutional support.
5. **Opportunity Center IT Project** - Funding is provided for the Opportunity Center for Employment and Education internet technology integration project at North Seattle Community College.
6. **COE for Aerospace** - Funding is provided for the Center of Excellence for Aerospace, currently hosted by Everett Community College, to increase communication and outreach between industry, business, K-12 schools, and the higher education system. The Center will provide information for prospective students and job seekers regarding education, training, and employment in the aerospace industry.
7. **Facilities M&O- Alternative Funding** - SBCTC is provided funding for the maintenance and operation (M&O) of new instructional facilities constructed with non-state funds, for which authorization has been provided in the capital budget. Each facility is scheduled to be occupied before July 1, 2015. The M&O funding covers utilities, custodial, and routine maintenance costs.
8. **Maintenance and Operations** - Funds are provided for M&O of facilities that will be available for occupancy in the 2013-15 biennium. These facilities include the Communications Technology Center (Bates Technical College), Health Science Building (Bellevue College), Health & Advanced Technology Building (Clark College), and Palmer Martin Building (Yakima Valley Community College).
9. **STEM or Career & Tech Ed** - One-time funding is provided to implement Chapter 55, Laws of 2013 (2SSB 5624), which requires the SBCTC to develop and offer two programs that support the continuation of high-quality science, technology, engineering, and math or career and technical education programs offered to students in the K-12 system.

Community & Technical College System

10. **Maritime Industries** - Funding is provided for South Seattle Community College to operate a center to provide training to students in a variety of maritime industrial sectors.
11. **Suspend I-732 COLA** - The Initiative 732 cost-of-living adjustments are suspended for the 2013-15 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 2.7 percent for the 2013-14 school year and 2.3 percent for the 2014-15 school year. (General Fund-State, Various Other Funds)
12. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
13. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
14. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
15. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
16. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

University of Washington

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	421,417	5,395,830	5,817,247
2013 Supplemental *	0	-100	-100
Total 2011-13 Biennium	421,417	5,395,730	5,817,147
2013-15 Maintenance Level	455,896	5,863,332	6,319,228
Policy Changes - Other			
1. Attorney General Legal Services	-23	-22	-45
2. DES Central Services	-26	-27	-53
3. Clean Energy Institute	6,000	0	6,000
4. Ocean Acidification	0	1,820	1,820
5. Geoduck Aquaculture Research	0	300	300
6. Computer Science and Engineering	8,918	0	8,918
7. Institutional Funding	40,000	0	40,000
8. Forestry Program	0	450	450
Policy -- Other Total	54,869	2,521	57,390
Policy Changes - Comp			
9. State Employee Health Insurance	-2,292	-6,340	-8,632
10. Wellness - Smoker Surcharge	-340	-940	-1,280
11. PEBB - Coverage Waiver Surcharge	-2,038	-5,635	-7,673
Policy -- Comp Total	-4,670	-12,915	-17,585
Total 2013-15 Biennium	506,095	5,852,938	6,359,033
Fiscal Year 2014 Total	253,896	2,912,075	3,165,971
Fiscal Year 2015 Total	252,199	2,940,863	3,193,062

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Clean Energy Institute** - The University of Washington is directed to create a Clean Energy Institute. The Institute will integrate physical sciences and engineering with a research focus on energy storage and solar energy. Funding is provided to create the Institute, hire research and teaching staff, and provide the computing resources necessary for research and modeling.
4. **Ocean Acidification** - The Center on Ocean Acidification is established to coordinate and conduct research to understand, monitor, and adapt to increasingly acidic waters. Specific work includes maintaining water quality monitoring at shellfish hatcheries; increasing water quality and biological monitoring to measure trends in acidification; developing a model to forecast corrosive conditions; conducting research on the impacts of ocean acidification on Washington's species and research on commercial scale water treatment methods; and undertaking hatchery design improvements to protect larvae from corrosive seawater. (State Toxics Control Account-State, Aquatic Lands Enhancement Account-State)
5. **Geoduck Aquaculture Research** - Funds are provided for the University of Washington sea grant program to conduct research studies to examine possible negative and positive effects, including the cumulative effects and the economic contribution, of evolving shellfish aquaculture techniques and practices on Washington's economy and marine ecosystem. (Geoduck Aquaculture Research Account-State)
6. **Computer Science and Engineering** - Funds are provided for the expansion of computer science and engineering enrollments.
7. **Institutional Funding** - Funds are provided for additional institutional support.
8. **Forestry Program** - The University of Washington may use tuition resources to a) form and implement an Integrated Innovation Institute and research, planning, and outreach initiatives at the Olympic National Resources Center; and b) accredit a four-year undergraduate forestry program from the Society of American Foresters. Accreditation may occur in conjunction with reaccreditation of the Master of Forest Resources Program. (Institutions of Higher Education-Operating Fees Account-Non-appropriated)

University of Washington

9. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
10. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
11. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Washington State University

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	301,211	928,780	1,229,991
2013-15 Maintenance Level	323,155	1,055,446	1,378,601
Policy Changes - Other			
1. Attorney General Legal Services	-9	-9	-18
2. DES Central Services	-20	-21	-41
3. Computer Science and Engineering	5,713	0	5,713
4. Ruckelshaus Center Study	25	0	25
5. Institutional Funding	15,000	0	15,000
6. Forestry Program	0	450	450
7. Medical Educ. & Biomedical Research	6,000	1,482	7,482
8. Wildlife Conflict Research	600	0	600
Policy -- Other Total	27,309	1,902	29,211
Policy Changes - Comp			
9. New Step M for Classified-Yr 1 Impl	256	32	288
10. New Step M for Classified-Yr 2 Impl	11	1	12
11. State Employee Health Insurance	-1,188	-399	-1,587
12. Wellness - Smoker Surcharge	-176	-59	-235
13. PEBB - Coverage Waiver Surcharge	-1,055	-355	-1,410
Policy -- Comp Total	-2,152	-780	-2,932
Total 2013-15 Biennium	348,312	1,056,568	1,404,880
Fiscal Year 2014 Total	173,614	528,202	701,816
Fiscal Year 2015 Total	174,698	528,366	703,064

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Computer Science and Engineering** - Funds are provided for the expansion of computer science and engineering enrollments.
- Ruckelshaus Center Study** - Funding is provided for the Ruckelshaus Center to facilitate meetings and discussions with local government, the media, and representatives of the public regarding public record requests made to local government. The Center will report back to the Legislature on their findings.
- Institutional Funding** - Funds are provided for additional institutional support.
- Forestry Program** - Funding from tuition resources will be used to reestablish a Forestry Program at Washington State University. (Institutions of Higher Education-Operating Fees Account-Nonappropriated)
- Medical Educ. & Biomedical Research** - Funding is provided for expansion of medical education and associated biomedical research, which will support basic science teaching in the Washington, Wyoming, Alaska, Montana, Idaho (WWAMI) Program and will expand medical education by 40 additional medical students in Spokane by the end of the biennium. A total of \$2 million of this funding is one-time funding to purchase the scientific instrumentation needed to equip the new Biomedical and Health Sciences building on the Spokane campus. (General Fund-State, Institutions of Higher Education-Operating Fees Account-Nonappropriated)
- Wildlife Conflict Research** - One-time funding is provided to Washington State University Agricultural Research Center to conduct public outreach and education related to non-lethal methods of mitigating conflicts between livestock and large wild carnivores, and to provide a detailed analysis of such methods.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those

Washington State University

who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)

11. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
12. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
13. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Eastern Washington University

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	68,085	180,314	248,399
2013-15 Maintenance Level	73,254	219,145	292,399
Policy Changes - Other			
1. Attorney General Legal Services	-3	-3	-6
2. DES Central Services	-4	-4	-8
3. Institutional Funding	6,162	0	6,162
Policy -- Other Total	6,155	-7	6,148
Policy Changes - Comp			
4. State Employee Health Insurance	-318	-74	-392
5. Wellness - Smoker Surcharge	-46	-11	-57
6. PEBB - Coverage Waiver Surcharge	-282	-67	-349
Policy -- Comp Total	-646	-152	-798
Total 2013-15 Biennium	78,763	218,986	297,749
Fiscal Year 2014 Total	39,464	105,892	145,356
Fiscal Year 2015 Total	39,299	113,094	152,393

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Institutional Funding** - Funds are provided for additional institutional support.
4. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
5. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
6. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or

partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Central Washington University

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	65,058	235,182	300,240
2013-15 Maintenance Level	70,980	246,896	317,876
Policy Changes - Other			
1. Attorney General Legal Services	-3	-3	-6
2. DES Central Services	-5	-5	-10
3. College of Ed. Teacher Study	25	0	25
4. Institutional Funding	7,736	0	7,736
Policy -- Other Total	7,753	-8	7,745
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	170	26	196
6. New Step M for Classified-Yr 2 Impl	9	1	10
7. State Employee Health Insurance	-287	-45	-332
8. Wellness - Smoker Surcharge	-42	-7	-49
9. PEBB - Coverage Waiver Surcharge	-255	-39	-294
Policy -- Comp Total	-405	-64	-469
Total 2013-15 Biennium	78,328	246,824	325,152
Fiscal Year 2014 Total	39,257	122,206	161,463
Fiscal Year 2015 Total	39,071	124,618	163,689

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **College of Ed. Teacher Study** - Funds are provided for the College of Education to conduct a study identifying the duties encompassed in a state-funded teacher's typical day.
4. **Institutional Funding** - Funds are provided for additional institutional support.
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
6. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
7. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

The Evergreen State College

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	36,248	72,258	108,506
2013-15 Maintenance Level	38,658	89,122	127,780
Policy Changes - Other			
1. Attorney General Legal Services	-2	-2	-4
2. DES Central Services	-8	-8	-16
3. Institutional Funding	2,899	0	2,899
4. K-12 Funding Task Force	250	0	250
5. Foster Care Cost Audit - WSIPP	77	0	77
6. ECEAP Evaluation - WSIPP	150	0	150
7. Invol Treatment Assessment - WSIPP	100	0	100
8. Learning Assistance Program - WSIPP	85	0	85
9. Risk Needs Resp Model - WSIPP	50	0	50
10. Safety Assessments - WSIPP	85	0	85
11. Governor Veto	-412	0	-412
Policy -- Other Total	3,274	-10	3,264
Policy Changes - Comp			
12. State Employee Health Insurance	-206	-14	-220
13. Wellness - Smoker Surcharge	-31	-2	-33
14. PEBB - Coverage Waiver Surcharge	-183	-12	-195
Policy -- Comp Total	-420	-28	-448
Total 2013-15 Biennium	41,512	89,084	130,596
Fiscal Year 2014 Total	20,960	43,685	64,645
Fiscal Year 2015 Total	20,552	45,399	65,951

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **Institutional Funding** - Funds are provided for additional institutional support.
4. **K-12 Funding Task Force** - Funding is provided for WSIPP to provide staff support to a new task force. The K-12 Funding Task Force is created to examine options and make recommendations to the Legislature regarding K-12 salary allocation methodologies and models for all staff types; policies and funding to support career and technical education; and the appropriate use of state and local property taxes to support the financing of public schools. This item was vetoed by the Governor.
5. **Foster Care Cost Audit - WSIPP** - Funding is provided for WSIPP to examine cases with extraordinary costs within the foster care system managed by the Children's Administration of the Department of Social and Health Services (DSHS). This audit will examine the highest cost foster children to determine if the children's care could be provided in a more cost-effective manner and whether the cost for these placements is consistent across similarly acute children. This item was vetoed by the Governor.
6. **ECEAP Evaluation - WSIPP** - One-time funding is provided for WSIPP to conduct a comprehensive retrospective outcome evaluation and return on investment analysis of the Early Childhood Evaluation and Assistance Program (ECEAP). This evaluation is due December 15, 2014.
7. **Invol Treatment Assessment - WSIPP** - One-time funding is provided for WSIPP to develop a risk assessment instrument for patients committed for involuntary treatment in Washington State.
8. **Learning Assistance Program - WSIPP** - Funding is provided for WSIPP to prepare an inventory of evidence-based and research-based effective practices, activities, and programs for use by school districts in the Learning Assistance Program. The initial inventory is due by August 1, 2014 and shall be updated every two years thereafter.
9. **Risk Needs Resp Model - WSIPP** - Funding is provided for WSIPP to provide expertise to the Department of Corrections (DOC) on the implementation of programming that follows the Risk Needs Responsivity Model. The DOC is required to compile an inventory of existing programming and to consult with WSIPP to determine whether these programs are evidence-based or research-based using definitions provided by WSIPP.

The Evergreen State College

In addition, WSIPP in consultation with DOC, will systematically review selected programs for outcome measures.

10. **Safety Assessments - WSIPP** - One-time funding is provided for WSIPP to conduct an empirical study of the validity and reliability of the safety assessment tool currently used in child welfare cases by the Children's Administration of DSHS. This study is due December 14, 2013. This item was vetoed by the Governor.
11. **Governor Veto** - The Governor vetoed Section 610(1) of Chapter 4, Laws of 2013 2nd sp.s., Partial Veto (3ESSB 5034) which directed WSIPP to examine the extraordinary costs of individual foster care children to identify whether placement cost is consistent across similarly acute children; Section 610(2) which directed WSIPP to conduct an empirical study of the validity and reliability of the safety assessment tool used by the Children's Administration of DSHS; and Section 610(8) which directed WSIPP to staff a K-12 Funding Task Force to examine and provide option on: salary allocation methodologies, career and technical education, and the appropriate use of state and local property taxes to finance public schools.
12. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
13. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
14. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Western Washington University

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	79,715	256,038	335,753
2013-15 Maintenance Level	89,241	266,670	355,911
Policy Changes - Other			
1. Attorney General Legal Services	-3	-3	-6
2. DES Central Services	-9	-9	-18
3. Computer Science and Engineering	2,995	0	2,995
4. Institutional Funding	10,460	0	10,460
Policy -- Other Total	13,443	-12	13,431
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	4	8	12
6. State Employee Health Insurance	-353	-171	-524
7. Wellness - Smoker Surcharge	-53	-25	-78
8. PEBB - Coverage Waiver Surcharge	-313	-152	-465
Policy -- Comp Total	-715	-340	-1,055
Total 2013-15 Biennium	101,969	266,318	368,287
Fiscal Year 2014 Total	51,085	131,640	182,725
Fiscal Year 2015 Total	50,884	134,678	185,562

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Computer Science and Engineering** - Funds are provided for the expansion of computer science and engineering enrollments.
- Institutional Funding** - Funds are provided for additional institutional support.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Student Achievement Council

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	325,468	19,962	345,430
2013 Supplemental *	0	12	12
Total 2011-13 Biennium	325,468	19,974	345,442
2013-15 Maintenance Level	666,080	41,572	707,652
Policy Changes - Other			
1. DES Central Services	-6	-4	-10
2. College Bound Admin Funding	476	0	476
3. College Bound Scholarship Funding	36,036	0	36,036
4. Re-suspend Future Teachers Schol	-2,000	0	-2,000
5. Re-suspend Health Prof Scholarship	-7,650	0	-7,650
6. Re-suspend Small Grant Program	-1,032	0	-1,032
7. Re-suspend WA Scholars and WAVE	-8,422	0	-8,422
Policy -- Other Total	17,402	-4	17,398
Policy Changes - Comp			
8. New Step M for Classified-Yr 2 Impl	5	1	6
9. State Employee Health Insurance	-15	-17	-32
10. Wellness - Smoker Surcharge	-2	-3	-5
11. PEBB - Coverage Waiver Surcharge	-13	-16	-29
Policy -- Comp Total	-25	-35	-60
Total 2013-15 Biennium	683,457	41,533	724,990
Fiscal Year 2014 Total	338,456	20,767	359,223
Fiscal Year 2015 Total	345,001	20,766	365,767

Comments:

1. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
2. **College Bound Admin Funding** - In August 2008, Washington was awarded a federal College Access Challenge Grant (CACG). Some of those funds have been used for the College Bound Scholarship (CBS) program administration as the program has grown. Washington is no longer receiving CACG funding. Funding is provided to cover that portion of administrative costs no longer funded by the federal CACG grant.
3. **College Bound Scholarship Funding** - In 2007 the Legislature appropriated \$7.4 million to fund scholarships for eligible students in the CBS program. The funds were used to purchase Guaranteed Education Tuition program units that are now worth over \$12.1 million as of July 2012. The first CBS cohort will begin receiving these funds in fall 2012. The initial \$7.4 million investment was designed to pay for initial CBS payouts. This item provides additional funding to cover CBS payouts for the 2013-15 biennium. (Education Legacy Trust Account-State)
4. **Re-suspend Future Teachers Schol** - Savings are achieved as a result of continuing the suspension of the Future Teachers Conditional Scholarship Program that was implemented in the 2011-13 biennium for the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.
5. **Re-suspend Health Prof Scholarship** - Savings are achieved as a result of continuing the suspension of the Health Professionals Conditional Scholarship Program that was implemented in the 2011-13 biennium for the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.
6. **Re-suspend Small Grant Program** - Savings are achieved as a result of continuing the suspension of small grant programs that was implemented in the 2011-13 biennium for the 2013-15 biennium, including the Community Scholarship Matching Grant program, Western Interstate Commission for Higher Education student exchange, and state contributions to the Foster Care Endowed Scholarship Trust Fund.
7. **Re-suspend WA Scholars and WAVE** - Savings are achieved as a result of continuing the suspension of the Washington Scholars and Washington Award for Vocational Excellence Programs that was implemented in the 2011-13 biennium for the 2013-15 biennium. Those students who received awards in previous years will maintain those awards until they complete their programs.

Student Achievement Council

8. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (General Fund-State, Other Funds)
9. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
10. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
11. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Other Education

Department of Early Learning

A total of \$482.6 million (\$162.9 million General Fund-State and Opportunity Pathways) is provided to develop, implement, and coordinate early learning programs related to assisting children from birth to five. This represents an increase of \$32 million (25 percent) from the levels provided in the 2012 supplemental budget.

Funding and enrollment slots for the state's Early Childhood Education and Assistance Program (ECEAP) are expanded in the 2013-15 biennium. A total of 1,700 enrollment slots are added and \$24.6 million Near General Fund-State is provided in the biennium. The enrollment slot rate is increased in the second year of the biennium to \$7,500 from \$6,812. This represents a 20 percent increase in enrollment slots and a 10 percent increase in reimbursement rates to providers by the end of the 2013-15 biennium. This ECEAP expansion begins the implementation of Chapter 231, Laws of 2010, Partial Veto (2SHB 2731), which directed expansion of the program and created a statutory entitlement beginning in the 2018-19 school year.

Home Visiting services provided through the Home Visiting Services Account (HVSA) are increased by \$1 million Near General Fund-State. Additionally, Chapter 165, Laws of 2013 (SB 5809) altered the account from partially appropriated to fully appropriated.

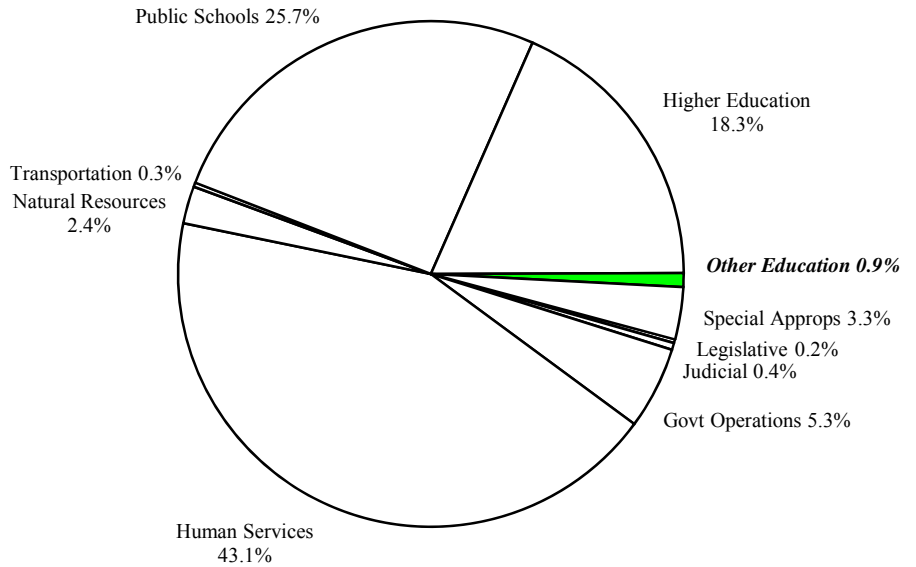
The Department of Early Learning is provided with Near General Fund-State to continue development of an Electronic Benefit Transfer (EBT) system and funding to begin implementation of the EBT system in the 2013-15 biennium.

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

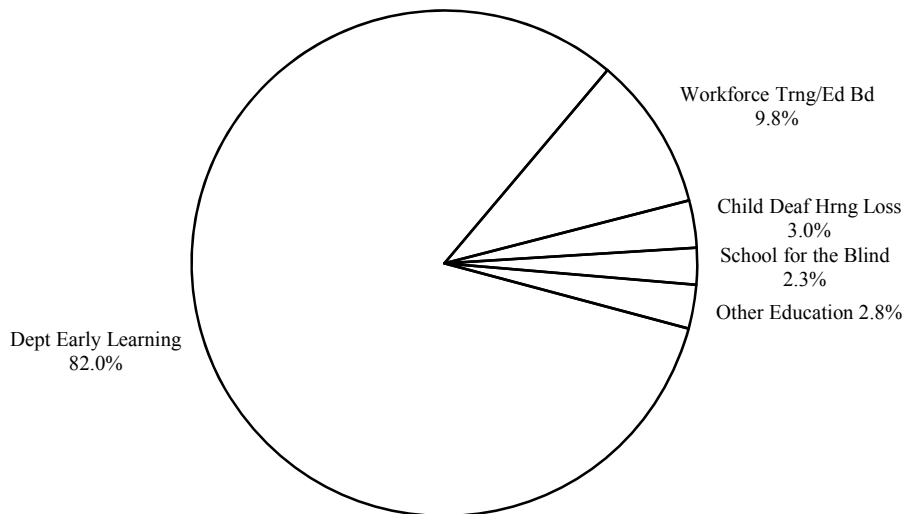
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
Special Appropriations	2,225,073
Statewide Total	66,522,466



Washington State

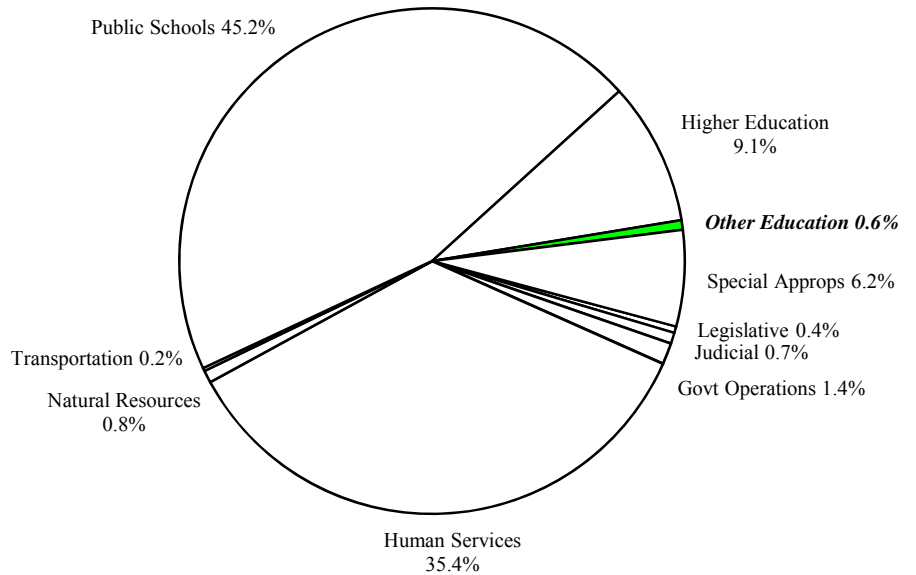
Dept Early Learning	482,645
Workforce Trng/Ed Bd	57,839
Child Deaf Hrng Loss	17,774
School for the Blind	13,818
Other Education	16,548
Other Education	588,624



Other Education

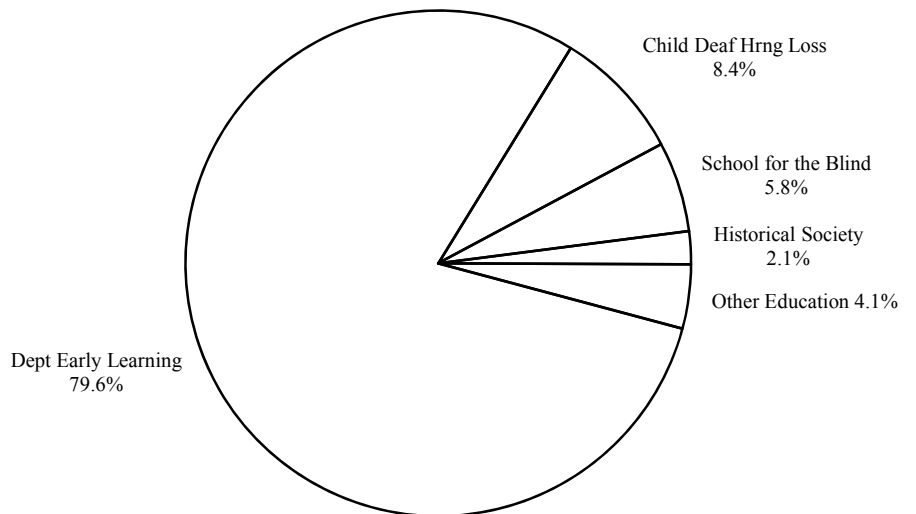
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
Special Appropriations	2,068,516
Statewide Total	33,631,274



Washington State

Dept Early Learning	162,942
Child Deaf Hrng Loss	17,206
School for the Blind	11,837
Historical Society	4,273
Other Education	8,416
Other Education	204,674



Other Education

Workforce Training & Education Coordinating Board

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	2,655	63,236	65,891
2013-15 Maintenance Level	3,053	54,773	57,826
Policy Changes - Other			
1. CTS Central Services	2	1	3
2. DES Central Services	-2	-2	-4
Policy -- Other Total	0	-1	-1
Policy Changes - Comp			
3. New Step M for Classified-Yr 1 Impl	18	14	32
4. State Employee Health Insurance	-5	-3	-8
5. Wellness - Smoker Surcharge	-1	-1	-2
6. PEBB - Coverage Waiver Surcharge	-5	-3	-8
Policy -- Comp Total	7	7	14
Total 2013-15 Biennium	3,060	54,779	57,839
Fiscal Year 2014 Total	1,582	25,861	27,443
Fiscal Year 2015 Total	1,478	28,918	30,396

Comments:

1. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
2. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
3. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
4. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
5. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014.
6. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)

Department of Early Learning

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	130,687	281,298	411,985
2013 Supplemental *	-532	142	-390
Total 2011-13 Biennium	130,155	281,440	411,595
2013-15 Maintenance Level	133,896	316,621	450,517
Policy Changes - Other			
1. Attorney General Legal Services	-1	-11	-12
2. Administrative Hearings	0	3	3
3. CTS Central Services	9	98	107
4. DES Central Services	-1	-13	-14
5. Continue EBT System Implementation	1,589	0	1,589
6. Continue EBT Development	721	0	721
7. Maintain ECEAP Slots	2,256	0	2,256
8. Child Care Reform	32	0	32
9. Home Visiting Expansion	1,000	1,000	2,000
10. Therapeutic Child Care	1,050	0	1,050
11. Home Visiting Appropriation	0	1,868	1,868
12. Expand Preschool	22,391	0	22,391
Policy -- Other Total	29,046	2,945	31,991
Policy Changes - Comp			
13. New Step M for Classified-Yr 1 Impl	12	272	284
14. New Step M for Classified-Yr 2 Impl	0	14	14
15. State Employee Health Insurance	-6	-73	-79
16. Wellness - Smoker Surcharge	-1	-11	-12
17. PEBB - Coverage Waiver Surcharge	-5	-65	-70
Policy -- Comp Total	0	137	137
Total 2013-15 Biennium	162,942	319,703	482,645
Fiscal Year 2014 Total	74,253	163,474	237,727
Fiscal Year 2015 Total	88,689	156,229	244,918

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Administrative Hearings** - Agency budgets are adjusted to align with expected billing levels for the Office of Administrative Hearings in the 2013-15 biennium. (Other Funds)
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs. (General Fund-State, Other Funds)
- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General Fund-State, Other Funds)
- Continue EBT System Implementation** - Funding is provided for certificate of participation debt service payments for the Department of Early Learning (DEL) to proceed with the development and implementation of an electronic benefit transfer system for child care subsidy payments. This new system updates the current child care subsidy payment model. Debt service payments for this item are scheduled for seven years.
- Continue EBT Development** - Funding is provided on a one-time basis in FY 2014 for DEL to continue development of the electronic benefits system that was begun in FY 2013 but not completed.
- Maintain ECEAP Slots** - For the 2011-13 biennium, the Legislature provided funding from the federal Child Care Development Fund (CCDF) appropriation on a one-time basis to add 165 Early Childhood Education and Assistance Program (ECEAP) enrollment slots. General Fund-State funding is provided to maintain these enrollment slots on an ongoing basis.

Department of Early Learning

8. **Child Care Reform** - Funding is provided for implementation of Chapter 337, Laws of 2013 (2SSB 5595) for staff support for the legislative task force established in the legislation.
9. **Home Visiting Expansion** - Increased funding is provided on an ongoing basis to expand home visiting activities, to be deposited into the Home Visiting Services Account. (General Fund-State, Home Visiting Services Account)
10. **Therapeutic Child Care** - An appropriation from the state general fund is provided for the Medicaid Treatment Child Care Program in FY 2014, in the event that federal funding is lost.
11. **Home Visiting Appropriation** - Pursuant to Chapter 165, Laws of 2013 (SB 5809), the Home Visiting Services Account now requires an appropriation. (General Fund-Federal, Home Visiting Services Account)
12. **Expand Preschool** - Funding is provided to expand access to ECEAP, pursuant to RCW 43.215.142. Funding is provided for an additional 350 enrollment slots in the 2013-14 school year at \$6,812 per slot. Funding is provided for an additional 1,350 enrollment slots in the 2014-15 school year at \$7,500 per slot. Funding is also provided to increase the enrollment slot rate to \$7,500 for existing slots in the 2014-15 school year. Total ECEAP enrollment slot expansion for the 2013-15 biennium is 1,700. Funding is also increased for additional oversight by DEL.
13. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
14. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014. (Other Funds)
15. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
16. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month. (General Fund-State, Other Funds)
17. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

State School for the Blind

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	11,447	1,953	13,400
2013 Supplemental *	20	0	20
Total 2011-13 Biennium	11,467	1,953	13,420
2013-15 Maintenance Level	11,917	2,015	13,932
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. CTS Central Services	4	0	4
3. DES Central Services	-5	0	-5
Policy -- Other Total	-2	0	-2
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	58	2	60
5. New Step M for Classified-Yr 2 Impl	1	0	1
6. State Employee Health Insurance	-26	-3	-29
7. Coll. Bargained Personal Leave Day	4	0	4
8. Initiative 732	-88	-31	-119
9. Wellness - Smoker Surcharge	-4	0	-4
10. PEBB - Coverage Waiver Surcharge	-23	-2	-25
Policy -- Comp Total	-78	-34	-112
Total 2013-15 Biennium	11,837	1,981	13,818
Fiscal Year 2014 Total	6,032	990	7,022
Fiscal Year 2015 Total	5,805	991	6,796

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium. (General-Fund State, Other Funds)
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
5. **New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days.
8. **Initiative 732** - The Initiative 732 cost-of-living adjustments are suspended for the 2013-15 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the prior calendar year's Seattle Consumer Price Index. These cost-of-living increases are estimated at 2.7 percent for the 2013-14 school year and 2.3 percent for the 2014-15 school year. (General Fund-State, General Fund-Private/Local)
9. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB

State School for the Blind

members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.

10. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Center for Childhood Deafness & Hearing Loss

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	16,774	526	17,300
2013 Supplemental *	96	0	96
Total 2011-13 Biennium	16,870	526	17,396
2013-15 Maintenance Level	17,343	568	17,911
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. CTS Central Services	4	0	4
3. DES Central Services	-6	0	-6
Policy -- Other Total	-3	0	-3
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	68	0	68
5. State Employee Health Insurance	-36	0	-36
6. Coll. Bargained Personal Leave Day	8	0	8
7. Initiative 732	-137	0	-137
8. Wellness - Smoker Surcharge	-5	0	-5
9. PEBB - Coverage Waiver Surcharge	-32	0	-32
Policy -- Comp Total	-134	0	-134
Total 2013-15 Biennium	17,206	568	17,774
Fiscal Year 2014 Total	8,615	284	8,899
Fiscal Year 2015 Total	8,591	284	8,875

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
4. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements.
5. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
6. **Coll. Bargained Personal Leave Day** - Some collective bargaining agreements include a personal leave day for some employees in positions that require uninterrupted, full-time coverage. This provides funding at regular pay rates for other employees to fill in during personal leave days.
7. **Initiative 732** - The Initiative 732 cost-of-living adjustments are suspended for the 2013-15 biennium. Initiative 732, approved by voters in 2000, requires an annual cost-of-living increase for school employees based on the prior calendar year's Seattle Consumer Price Index. These cost-of-living increases are estimated at 2.7 percent for the 2013-14 school year and 2.3 percent for the 2014-15 school year.
8. **Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
9. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest

Center for Childhood Deafness & Hearing Loss

enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Washington State Arts Commission

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	5,307	5,307
2013-15 Maintenance Level	2,225	3,133	5,358
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. CTS Central Services	5	0	5
3. DES Central Services	-3	0	-3
4. Reduce Private Arts Funding	0	-1,047	-1,047
Policy -- Other Total	1	-1,047	-1,046
Policy Changes - Comp			
5. New Step M for Classified-Yr 1 Impl	6	2	8
6. State Employee Health Insurance	-3	-1	-4
7. PEBB - Coverage Waiver Surcharge	-3	-1	-4
Total 2013-15 Biennium	2,226	2,086	4,312
Fiscal Year 2014 Total	1,125	1,048	2,173
Fiscal Year 2015 Total	1,101	1,038	2,139

Comments:

1. **Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
2. **CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
3. **DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
4. **Reduce Private Arts Funding** - In FY 2013, the Arts Commission completed a four-year private grant from the Wallace Foundation. Private-local expenditure authority is reduced to reflect the end of this grant. (General Fund-Private/Local)
5. **New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
6. **State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
7. **PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Washington State Historical Society

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	6,086	6,086
2013-15 Maintenance Level	4,250	1,798	6,048
Policy Changes - Other			
1. Attorney General Legal Services	-1	0	-1
2. CTS Central Services	5	0	5
3. Restore Museum Hours	0	500	500
Policy -- Other Total	4	500	504
Policy Changes - Comp			
4. New Step M for Classified-Yr 1 Impl	34	6	40
5. New Step M for Classified-Yr 2 Impl	1	0	1
6. State Employee Health Insurance	-8	-2	-10
7. Wellness - Smoker Surcharge	-1	0	-1
8. PEBB - Coverage Waiver Surcharge	-7	-1	-8
Policy -- Comp Total	19	3	22
Total 2013-15 Biennium	4,273	2,301	6,574
Fiscal Year 2014 Total	2,123	1,158	3,281
Fiscal Year 2015 Total	2,150	1,143	3,293

Comments:

- Attorney General Legal Services** - Agency budgets are adjusted to align with expected billing levels for agency legal services in the 2013-15 biennium.
- CTS Central Services** - Funding is provided for each agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology FTEs.
- Restore Museum Hours** - During the 2013-15 biennium, the Washington State History Museum plans to open Mondays and Tuesdays during the summer months to serve summer tourists visiting the Tacoma Museum District. This action is expected to increase museum admission income, membership dues income, donation income for the exhibits, and public programs for the summer months. (Local Museum Account-Washington State Historical Society-Non-appropriated)
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
- New Step M for Classified-Yr 2 Impl** - A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during FY 2015. The increase affects those who reach six years at the current top step during FY 2015 and were not yet eligible for the increase during FY 2014.
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.) (General Fund-State, Other Funds)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Eastern Washington State Historical Society

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	0	6,082	6,082
2013-15 Maintenance Level	3,135	2,525	5,660
Policy Changes - Other			
1. DES Central Services	-2	0	-2
Policy -- Other Total	-2	0	-2
Policy Changes - Comp			
2. New Step M for Classified-Yr 1 Impl	10	8	18
3. State Employee Health Insurance	-6	0	-6
4. Wellness - Smoker Surcharge	-1	0	-1
5. PEBB - Coverage Waiver Surcharge	-6	-1	-7
Policy -- Comp Total	-3	7	4
Total 2013-15 Biennium	3,130	2,532	5,662
Fiscal Year 2014 Total	1,600	1,271	2,871
Fiscal Year 2015 Total	1,530	1,261	2,791

Comments:

- DES Central Services** - Agency budgets are adjusted to align with expected billing levels for the Department of Enterprise Services in the 2013-15 biennium.
- New Step M for Classified-Yr 1 Impl** - Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during FY 2014. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund-State, Other Funds)
- State Employee Health Insurance** - Funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year, resulting in the identified savings. (The imposition of surcharges for tobacco use and for spouses and domestic partners who waive certain employer coverage reduces the necessary funding rate by \$28 per month per employee in the second fiscal year, from \$791 to \$763.)
- Wellness - Smoker Surcharge** - State agency and higher education employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for PEBB members who use tobacco products beginning July 1, 2014. This reduces the employer funding rate in FY 2015 by approximately \$4 per month.
- PEBB - Coverage Waiver Surcharge** - Reflects expected savings from implementing a \$50 surcharge beginning July 1, 2014, for Public Employees' Benefits Board (PEBB) subscribers who have Employee Plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage and where the waived employer coverage has an actuarial value not less than 95 percent of the value of the PEBB plan with the largest enrollment. Savings consist of

waiver revenue plus a reduction in the number of covered spouses or partners. This reduces the employer funding rate in FY 2015 by approximately \$24 per month. (General Fund-State, Other Funds)

Special Appropriations

Special Appropriations (Non-Compensation Related Items)

Lean Management

Savings of \$30 million General Fund-State are achieved by implementing lean management practices. The Office of Financial Management (OFM) will develop a strategic lean management action plan to drive efficiencies in state spending and increase productivity of state employees while improving and increasing state services for taxpayers. OFM will also develop a lean practitioner fellowship program to train state agency staff.

Local Public Safety Enhancement Account

Savings of \$10 million General Fund-State are achieved by suspending the transfer to the Local Public Safety Enhancement Account under RCW 41.26.802, which requires a transfer of \$10 million from the state general fund if the prior biennium's general state revenues exceed the previous biennium's revenues by more than five percent.

Central Service Efficiencies

Through the continued work of central service agencies to reduce both rates and expenditure authority, funding is reduced by \$5 million General Fund-State for both information technology services and consolidated central services to state agencies for a total of \$10 million General Fund-State. State agencies will work with OFM and central service agencies to realize savings in procurement, maintenance, operations, and delivery of information technology and central services.

Debt Service

Funding of \$36.4 million General Fund-State is provided to pay for debt service on new debt incurred for projects funded in the 2013-15 Capital Budget.

Impaired Driving

Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs to reduce impaired driving. For the 2013-15 biennium, \$2.5 million General Fund-State and \$1.5 million in federal funds are provided to the Washington State Traffic Safety Commission, the Department of Social and Health Services, and the Department of Corrections. An additional \$2.5 million General Fund-State is provided in special appropriations for grants to fund additional deputy prosecuting attorney positions focused on rush filing charges against repeat driving under the influence offenders.

Special Appropriations (Compensation Related Items)

Employee Compensation

Individual agency appropriations contain funding for compensation increases provided in collective bargaining agreements that are explicitly approved in the budget, including both those negotiated with state employee representatives in general government agencies and higher education institutions, and those negotiated with non-state employee groups including the individual home-care providers, family child care providers, and language access providers. Also contained in individual agency appropriations are funds to restore the one-time three percent salary reductions included in the 2011-13 biennium budget and for an additional longevity step increase for classified employees who have been at their top step for at least six years. The new top step was first added to the salary schedule for classified employees as part of several 2011-13 collective bargaining agreements, to be effective as of July 2013.

Individual agency appropriations also include three changes related to employee health insurance. First, due to updated claim experience and costs, funding for state employee health insurance is reduced from \$800 per month per employee to \$782 per month in the first fiscal year and \$791 per month in the second fiscal year. Second, employer contributions for health insurance are reduced to reflect a \$25 per month surcharge for Public

Employees' Benefits Board (PEBB) members who use tobacco products. Third, employer contributions for health insurance are reduced to reflect expected savings from implementing a \$50 surcharge beginning for (PEBB) subscribers who have Employee plus Spouse coverage or Family coverage where the subscriber's covered spouse or partner has waived an opportunity to enroll in employer coverage (when that waived coverage meets certain criteria).

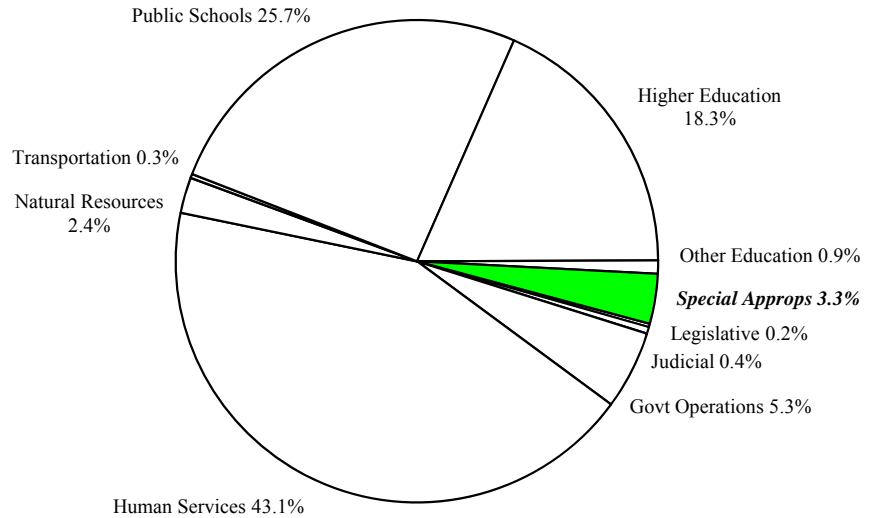
The surcharges for tobacco use and for spouses and domestic partners that waive certain employer coverage are effective July 1, 2014, and reduce the necessary funding rate in the second fiscal year by \$28 per month (to \$763 per employee, per month).

2013-15 Washington State Omnibus Operating Budget

Total Budgeted Funds

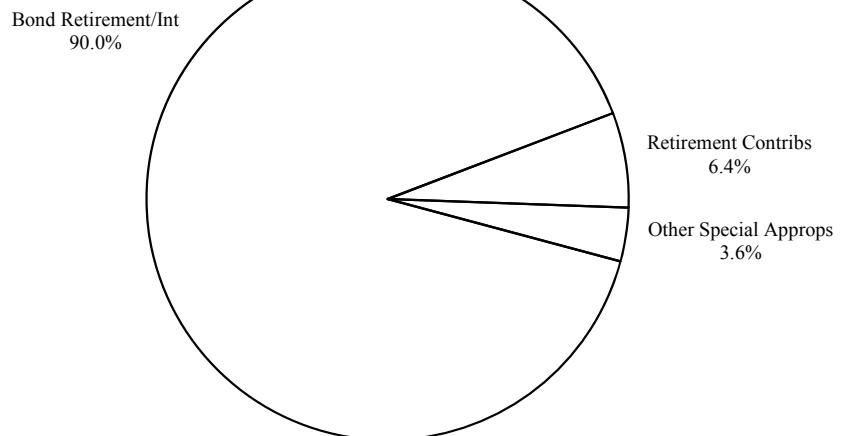
(Dollars in Thousands)

Legislative	155,455
Judicial	299,190
Governmental Operations	3,499,248
Human Services	28,684,567
Natural Resources	1,587,441
Transportation	181,919
Public Schools	17,097,327
Higher Education	12,203,622
Other Education	588,624
<i>Special Appropriations</i>	<i>2,225,073</i>
Statewide Total	66,522,466



Washington State

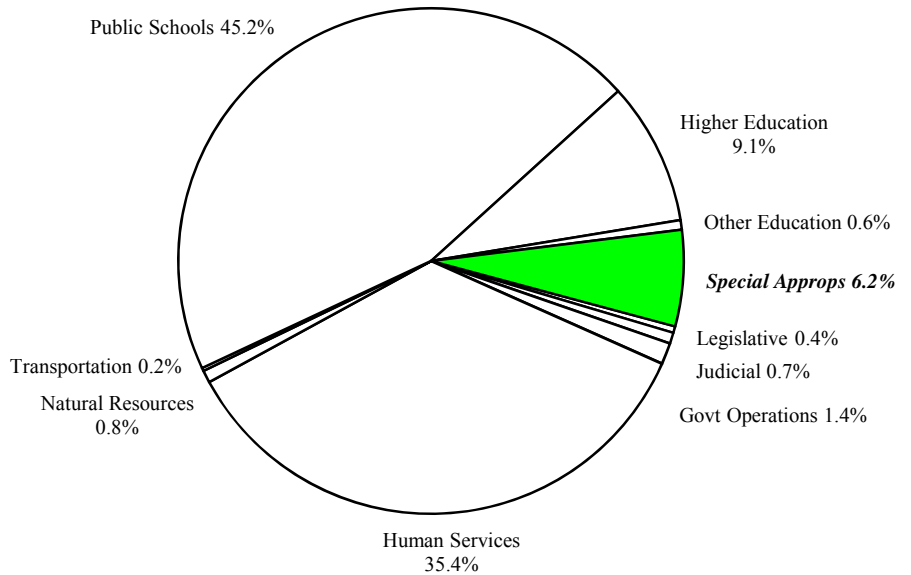
Bond Retire/Int	2,003,431
Retirement Contributions	141,500
Other Special Approps	80,142
<i>Special Appropriations</i>	<i>2,225,073</i>



Special Appropriations

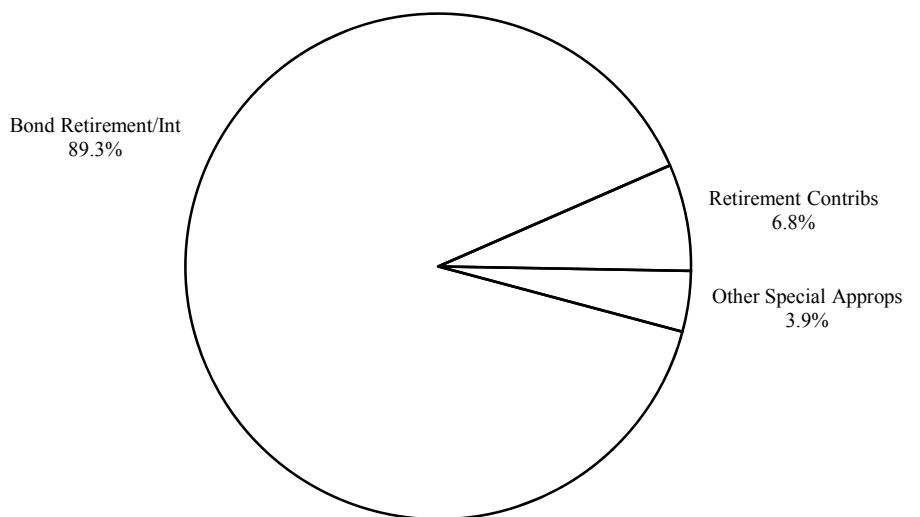
2013-15 Washington State Omnibus Operating Budget
NGF-S + Opportunity Pathways
(Dollars in Thousands)

Legislative	141,400
Judicial	237,851
Governmental Operations	459,114
Human Services	11,904,528
Natural Resources	262,680
Transportation	70,564
Public Schools	15,208,877
Higher Education	3,073,070
Other Education	204,674
<i>Special Appropriations</i>	<i>2,068,516</i>
Statewide Total	33,631,274



Washington State

Bond Retire/Int	1,846,874
Retirement Contributions	141,500
Other Special Approps	80,142
<i>Special Appropriations</i>	<i>2,068,516</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	1,921,678	155,147	2,076,825
2013 Supplemental *	221,875	-1,185	220,690
Total 2011-13 Biennium	2,143,553	153,962	2,297,515
2013-15 Maintenance Level	1,810,455	156,557	1,967,012
Policy Changes - Other			
1. Debt Svc for New Capital Projects	36,419	0	36,419
Policy -- Other Total	36,419	0	36,419
Total 2013-15 Biennium	1,846,874	156,557	2,003,431
Fiscal Year 2014 Total	768,724	80,327	849,051
Fiscal Year 2015 Total	1,078,150	76,230	1,154,380

Comments:

1. **Debt Svc for New Capital Projects** - Debt service will be incurred from issuing new debt to fund the capital budget for the 2013-15 biennium.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest's budget is shown in the Transportation Budget Section of this document.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Contributions to Retirement Systems

(Dollars in Thousands)

	<u>NGF-P</u>	<u>Other</u>	<u>Total</u>
2011-13 Expenditure Authority	129,476	0	129,476
2013-15 Maintenance Level	144,400	0	144,400
Policy Changes - Comp			
1. Pension Adjustments, Nonrate	-2,900	0	-2,900
Policy -- Comp Total	-2,900	0	-2,900
Total 2013-15 Biennium	141,500	0	141,500
Fiscal Year 2014 Total	69,300	0	69,300
Fiscal Year 2015 Total	72,200	0	72,200

Comments:

1. **Pension Adjustments, Nonrate** - Funding is adjusted for state contributions for Plan 2 of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System and for the Judicial Retirement System. An adjustment is made to match the contributions to the level calculated by the Office of the State Actuary, and a further adjustment is made to reflect more recent data on actual payout levels from the Department of Retirement Systems.

State Employee Compensation Adjustments

(Dollars in Thousands)

	<u>NGF-P</u>	<u>Other</u>	<u>Total</u>
2011-13 Expenditure Authority	0	0	0
2013-15 Maintenance Level	0	0	0
Policy Changes - Comp			
1. Affordable Care Act Savings	-10,000	0	-10,000
Policy -- Comp Total	-10,000	0	-10,000
Total 2013-15 Biennium	-10,000	0	-10,000
Fiscal Year 2015 Total	-10,000	0	-10,000

Comments:

1. **Affordable Care Act Savings** - Funding is reduced to reflect savings that may be achieved through greater efficiencies and/or coordinating publicly provided health insurance benefits with the federal Patient Protection and Affordable Care Act.

Special Appropriations to the Governor

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	111,444	19,528	130,972
2013 Supplemental *	728	0	728
Total 2011-13 Biennium	112,172	19,528	131,700
2013-15 Maintenance Level	99,552	0	99,552
Policy Changes - Other			
1. Disaster Response Account	7,600	0	7,600
2. Susp Loc Publ Safety Acct Transfer	-10,000	0	-10,000
3. Communication Services Reform	5,000	0	5,000
4. Health Benefit Exchange Account	676	0	676
5. Lean Management	-30,000	0	-30,000
6. Consolidated Savings Efficiencies	-5,000	0	-5,000
7. Information Technology Savings	-5,000	0	-5,000
8. E2SSB 5912	2,542	0	2,542
Policy -- Other Total	-34,182	0	-34,182
Policy Changes - Transfers			
9. Public Health Funding Transfer	24,772	0	24,772
Policy -- Transfer Total	24,772	0	24,772
Total 2013-15 Biennium	90,142	0	90,142
Fiscal Year 2014 Total	59,259	0	59,259
Fiscal Year 2015 Total	30,883	0	30,883

Comments:

1. **Disaster Response Account** - Additional funds are provided in the Disaster Response Account for fire costs incurred by the Department of Natural Resources and for the state's portion of costs related to prior storms.
2. **Susp Loc Publ Safety Acct Transfer** - The transfer into the Local Public Safety Enhancement Account is suspended for the 2013-15 biennium.
3. **Communication Services Reform** - Funding is provided from the state general fund to the Universal Communications Services Account to establish a temporary state Universal Communications Services Program pursuant to Chapter 8, Laws of 2013, 2nd sp.s. (2E2SHB 1971).
4. **Health Benefit Exchange Account** - Funding is provided to the Health Benefit Exchange Account as a loan to be repaid from the account by July 30, 2015.
5. **Lean Management** - Savings will be achieved by implementing lean management practices. The Office of Financial Management (OFM) will develop a strategic lean management action plan to drive efficiencies in state spending and increase productivity of state employees while improving and increasing state services for taxpayers. The OFM will also develop a lean practitioner fellowship program to train state agency staff.
6. **Consolidated Savings Efficiencies** - General Fund-State appropriations are reduced to reflect available fund balances in dedicated revolving funds used for central services to state agencies and more efficient delivery of consolidated central services to state agencies.
7. **Information Technology Savings** - General Fund-State appropriations are reduced in each fiscal year of the biennium to reflect efficiencies in information technology expenditures statewide.
8. **E2SSB 5912** - Funding is appropriated by Chapter 35, Laws of 2013, 2nd sp.s. (E2SSB 5912) for a variety of policies and programs to reduce impaired driving. For the 2013-15 biennium, \$2.5 million General Fund-State and \$1.5 million in federal funds is provided to the Washington State Traffic Safety Commission, the Department of Social and Health Services, and the Department of Corrections. An additional \$2.5 million General Fund-State is provided in Special Appropriations for grants to fund additional deputy prosecuting attorney positions focused on rush filing charges against repeat driving under the influence offenders.
9. **Public Health Funding Transfer** - Local Capacity Development Funds and Blue Ribbon Commission funds for local health jurisdictions (LHJ) are collapsed into a single block grant with Motor Vehicle Excise Tax (MVET) replacement funds to be dispersed through the Treasurer's Office. There is no change to the level and distribution of total public health funds for LHJs. LHJs are required to report spending

Special Appropriations to the Governor

information by category and outcome-oriented performance measures to the Legislature each November.

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Sundry Claims

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	278	0	278
2013 Supplemental *	322	0	322
Total 2011-13 Biennium	600	0	600
2013-15 Maintenance Level	0	0	0
Total 2013-15 Biennium	0	0	0

Comments:

* Please see the 2013 Supplemental Operating Budget Section for additional information.

Other Legislation

(Dollars in Thousands)

	NGF-P	Other	Total
2011-13 Expenditure Authority	-3,850	4	-3,846
2013 Supplemental *	2,350	0	2,350
Total 2011-13 Biennium	-1,500	4	-1,496
2013-15 Maintenance Level	0	0	0
Total 2013-15 Biennium	0	0	0

Comments:

None.